

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3656**

**(SENATE AUTHORS: ROSEN)**

DATE	D-PG	OFFICIAL STATUS
03/21/2018	6863	Introduction and first reading Referred to Finance
04/25/2018	7895a	Comm report: To pass as amended
	8372	Second reading
04/26/2018	8386a	Special Order: Amended
	8459	Third reading Passed
05/07/2018	8732	Returned from House with amendment
	8736	Senate not concur, conference committee of 5 requested
	8740	Senate conferees Rosen; Benson; Kiffmeyer; Limmer; Newman
	8772	House conferees Knoblach; Loon; Torkelson; Garofalo; Pelowski
05/19/2018	9387c	Conference committee report, delete everything
	10191	Motion to reject CC report, did not prevail
	10192	Senate adopted CC report and repassed bill Third reading

1.1 A bill for an act

1.2 relating to state government; appropriating money for agriculture, rural

1.3 development, housing, state government, public safety, transportation, environment,

1.4 natural resources, energy, jobs, economic development, higher education,

1.5 prekindergarten through grade 12 education, health, and human services; modifying

1.6 agriculture, rural development, and housing provisions; specifying conditions of

1.7 legislative ratification of proposed collective bargaining agreements; requiring

1.8 proposed changes to state employee group insurance to be submitted separately

1.9 to Legislative Coordinating Commission; requiring certain information about

1.10 collective bargaining agreements and compensation plans be submitted to

1.11 Legislative Coordinating Commission; creating transition period for Legislative

1.12 Budget Office to take responsibility for coordinating fiscal notes and local impact

1.13 notes; establishing Legislative Budget Office Oversight Commission; modifying

1.14 the effective date of certain provisions governing preparation of fiscal notes;

1.15 abolishing Office of MN.IT Services; establishing division of information

1.16 technology within Department of Administration; permitting agencies more

1.17 flexibility in contracting for information technology projects; requiring agencies

1.18 to determine impact of proposed rule on cost of residential construction or

1.19 remodeling; requiring notice to applicable legislative committees; precluding

1.20 adoption of residential construction rules having certain cost until after next

1.21 legislative session; exempting hair braiders from cosmetology registration

1.22 requirements; prohibiting exclusive representative from charging fair share fee to

1.23 nonmembers; investigating possible registration or voting by ineligible voters and

1.24 reporting to law enforcement; increasing penalties for child pornography offenses;

1.25 requiring reports on court-imposed stays of sentence or adjudication for sex

1.26 offenses; restricting grounds that permit reunification of parents and children after

1.27 parent sexually abuses child; increasing maximum penalty for certain invasion of

1.28 privacy crimes involving minors; requiring predatory offender registration for

1.29 certain invasion of privacy crimes involving minors; requiring collection of

1.30 information on connection between pornography and sex trafficking; expanding

1.31 authorized prostitution penalty assessment to include additional crimes; expanding

1.32 criminal sexual conduct offenses for persons in current or recent positions of

1.33 authority over juveniles and for peace officers who engage in sexual activity with

1.34 those in custody; extending sunset date for court technology fund; expanding list

1.35 of prior offenses that support a conviction of first-degree driving while impaired;

1.36 prohibiting Department of Human Rights from using federal funds to expand

1.37 program; modifying various provisions governing transportation and public safety

1.38 policy and finance; modifying certain loan programs; modifying energy provisions;

1.39 modifying environment and natural resources provisions; adding to and deleting

2.1 from state parks, recreation areas, and forests; modifying drainage law; creating  
2.2 accounts; providing for disposition of certain receipts; modifying renewable  
2.3 development account utility annual contribution; modifying solar energy incentive  
2.4 program; establishing pension rate base; establishing criteria for utility cost recovery  
2.5 of energy storage system pilot projects; establishing utility stakeholder group;  
2.6 requiring investor-owned utilities to include in integrated resource plans an  
2.7 assessment of energy storage systems; establishing solar energy grant program for  
2.8 school districts; extending expiration date for an assessment; requiring creation of  
2.9 an excavation notice system contact information database; requiring cost-benefit  
2.10 analysis of energy storage systems; modifying job training program requirements;  
2.11 limiting use of funds in Douglas J. Johnson economic protection trust fund;  
2.12 modifying youth skills training program; modifying accessibility requirements for  
2.13 public buildings; modifying fees for manufactured home installers; adopting  
2.14 recommendations of Workers' Compensation Advisory Council; adjusting basis  
2.15 for determining salary for judges of Workers' Compensation Court of Appeals;  
2.16 adopting recommendations of Unemployment Insurance Advisory Council;  
2.17 modifying certain higher education policy provisions; making clarifying and  
2.18 technical changes to loan forgiveness and research grant programs; providing for  
2.19 school safety, general education, education excellence, teachers, special education,  
2.20 facilities and technology, libraries, early education, and state agencies; making  
2.21 forecast adjustments; modifying provisions governing children and families,  
2.22 licensing, state-operated services, chemical and mental health, community supports  
2.23 and continuing care, and health care; modifying Department of Human Services  
2.24 administrative funds transfer; establishing Minnesota Health Policy Commission;  
2.25 repealing preferred incontinence program in medical assistance; increasing  
2.26 reimbursement rates for doula services; modifying telemedicine service limits;  
2.27 modifying EPSDT screening payments; modifying capitation payment delay;  
2.28 modifying provisions relating to wells and borings; adding security screening  
2.29 systems to ionizing radiation-producing equipment regulation; authorizing statewide  
2.30 tobacco cessation services; establishing an opioid reduction pilot program;  
2.31 establishing a low-value health services study; requiring coverage of 3D  
2.32 mammograms; requiring disclosure of facility fees; establishing a step therapy  
2.33 override process; requiring the synchronization of prescription refills; prohibiting  
2.34 a health plan company from preventing a pharmacist from informing a patient of  
2.35 a price differential; converting allied health professionals to a birth month renewal  
2.36 cycle; modifying temporary license suspensions and background checks for  
2.37 health-related professions; requiring a prescriber to access the prescription  
2.38 monitoring program before prescribing certain controlled substances; authorizing  
2.39 the Board of Pharmacy to impose a fee from a prescriber or pharmacist accessing  
2.40 prescription monitoring data through a service offered by the board's vendor;  
2.41 requiring administrative changes at the Office of Health Facility Complaints;  
2.42 providing access to information and data sharing; making technical changes;  
2.43 requiring rulemaking; requiring reports; amending Minnesota Statutes 2016,  
2.44 sections 3.3005, subdivision 8; 3.855, subdivisions 1a, 2, by adding a subdivision;  
2.45 10A.01, subdivision 35; 13.64, by adding a subdivision; 16A.103, subdivisions 1,  
2.46 1b, by adding a subdivision; 16A.88, subdivision 2; 16A.97; 16E.01, subdivision  
2.47 1; 16E.015, by adding a subdivision; 16E.016; 16E.02; 16E.055; 16E.14; 16E.18,  
2.48 subdivisions 4, 6; 16E.21, subdivision 3; 17.117, subdivisions 1, 4; 17.494; 17.4982,  
2.49 by adding subdivisions; 18.83, subdivision 7; 18C.425, subdivision 6; 18C.80,  
2.50 subdivision 2; 21.89, subdivision 2; 41A.16, subdivisions 1, 2; 41A.17, subdivision  
2.51 1; 62A.30, by adding a subdivision; 62D.115, subdivision 4; 80E.13; 84.0895,  
2.52 subdivision 2; 84.86, subdivision 1; 86B.005, subdivision 8a; 86B.532, subdivision  
2.53 1; 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; 92.50, by adding  
2.54 a subdivision; 94.10, subdivision 2; 97A.051, subdivision 2; 97A.433, subdivisions  
2.55 4, 5; 97B.015, subdivision 6; 97B.1055; 97C.345, subdivision 3a; 103B.3369,  
2.56 subdivisions 5, 9; 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071;  
2.57 103E.351, subdivision 1; 103F.361, subdivision 2; 103F.363, subdivision 1;  
2.58 103F.365, by adding a subdivision; 103F.371; 103F.373, subdivisions 1, 3, 4;

3.1 103G.2242, subdivision 14; 103H.275, subdivision 1; 103I.205, subdivision 9;  
 3.2 103I.301, subdivision 6; 114D.15, subdivisions 7, 11, 13, by adding subdivisions;  
 3.3 114D.20, subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35,  
 3.4 subdivisions 1, 3; 115.03, subdivision 5, by adding a subdivision; 115.035;  
 3.5 115A.51; 115A.94, subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions;  
 3.6 116.07, subdivision 2, by adding a subdivision; 116.155, subdivision 1, by adding  
 3.7 a subdivision; 116.993, subdivisions 2, 6; 116J.8747, subdivisions 2, 4; 119B.011,  
 3.8 subdivision 19, by adding a subdivision; 119B.02, subdivision 7; 119B.03,  
 3.9 subdivision 9; 120A.20, subdivision 2; 122A.63, subdivisions 1, 4, 5, 6, by adding  
 3.10 a subdivision; 123B.595, by adding a subdivision; 123B.61; 124D.09, subdivisions  
 3.11 4, 22; 124D.151, subdivisions 2, 3; 124E.20, subdivision 1; 125B.26, subdivision  
 3.12 4, by adding a subdivision; 126C.10, subdivisions 2e, 24; 126C.17, subdivisions  
 3.13 1, 2, 5, 6, 7, 7a; 126C.40, subdivision 1; 126C.44; 127A.70, subdivision 2; 135A.15,  
 3.14 subdivision 2; 136A.15, subdivision 8; 136A.16, subdivisions 1, 2, 5, 8, 9;  
 3.15 136A.162; 136A.1701, subdivision 7; 136A.1791, subdivision 8; 136A.1795,  
 3.16 subdivision 2; 136A.64, subdivision 1; 136A.822, subdivision 10; 136A.901,  
 3.17 subdivision 1; 144.121, subdivision 1a, by adding a subdivision; 144A.53,  
 3.18 subdivision 2; 147.012; 147.02, by adding a subdivision; 147A.06; 147A.07;  
 3.19 147B.02, subdivision 9, by adding a subdivision; 147C.15, subdivision 7, by adding  
 3.20 a subdivision; 147D.17, subdivision 6, by adding a subdivision; 147D.27, by adding  
 3.21 a subdivision; 147E.15, subdivision 5, by adding a subdivision; 147E.40,  
 3.22 subdivision 1; 147F.07, subdivision 5, by adding subdivisions; 147F.17, subdivision  
 3.23 1; 148.7815, subdivision 1; 151.065, by adding a subdivision; 151.214; 151.71,  
 3.24 by adding a subdivision; 152.126, subdivisions 6, 10; 155A.25, subdivision 1a;  
 3.25 155A.28, by adding a subdivision; 161.088, subdivision 2; 161.115, subdivision  
 3.26 111; 161.14, by adding subdivisions; 161.32, subdivision 2; 168.013, subdivision  
 3.27 6; 168.101, subdivision 2a; 168.127, subdivisions 4, 6; 168.27, by adding  
 3.28 subdivisions; 168.301, subdivision 3; 168.326; 168.33, subdivision 8a, by adding  
 3.29 a subdivision; 168.346, subdivision 1; 168A.05, by adding a subdivision; 168A.12,  
 3.30 subdivision 2; 168A.151, subdivision 1; 168A.17, by adding a subdivision;  
 3.31 168A.29, subdivision 1; 169.011, subdivision 60; 169.14, subdivision 5; 169.18,  
 3.32 subdivisions 10, 11, 12; 169.20, by adding a subdivision; 169.26, subdivision 1;  
 3.33 169.28; 169.29; 169.71, subdivision 4; 169.81, subdivision 5, by adding a  
 3.34 subdivision; 169.8261, subdivision 2; 169.92, subdivision 4; 169.974, subdivision  
 3.35 2; 169A.24, subdivision 1; 171.041; 171.16, subdivisions 2, 3; 171.18, subdivision  
 3.36 1; 174.12, subdivision 8; 174.37, subdivision 6; 174.66; 175A.05; 176.231,  
 3.37 subdivision 9; 179A.06, subdivision 3; 201.022, by adding subdivisions; 205A.07,  
 3.38 subdivision 2; 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8;  
 3.39 216B.16, by adding a subdivision; 216B.1641; 216B.1645, by adding a subdivision;  
 3.40 216B.2422, subdivision 1, by adding a subdivision; 216D.03, by adding a  
 3.41 subdivision; 216G.01, subdivision 3; 221.031, subdivision 2d; 221.0314,  
 3.42 subdivision 9; 221.036, subdivisions 1, 3; 221.122, subdivision 1; 221.161,  
 3.43 subdivision 1, by adding a subdivision; 221.171, subdivision 1; 243.166, subdivision  
 3.44 1b; 244.052, subdivision 4; 245.4889, by adding a subdivision; 245A.175; 245C.14;  
 3.45 245C.15, by adding a subdivision; 245C.22, by adding a subdivision; 245C.24,  
 3.46 by adding a subdivision; 245D.071, subdivision 5; 245D.091, subdivisions 2, 3,  
 3.47 4; 254A.035, subdivision 2; 254B.02, subdivision 1; 254B.06, subdivision 1;  
 3.48 256.01, subdivision 14b, by adding a subdivision; 256B.04, subdivision 14;  
 3.49 256B.0625, subdivision 58, by adding subdivisions; 256B.0659, subdivisions 3a,  
 3.50 11, 21, 24, 28, by adding a subdivision; 256B.0915, subdivision 6; 256B.092,  
 3.51 subdivisions 1b, 1g; 256B.093, subdivision 1; 256B.4914, subdivision 4; 256I.04,  
 3.52 by adding subdivisions; 256K.45, subdivision 2; 256M.41, subdivision 3, by adding  
 3.53 a subdivision; 256N.24, by adding a subdivision; 260.012; 260.835, subdivision  
 3.54 2; 268.035, subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision  
 3.55 3; 268.051, subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5;  
 3.56 268.059; 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a;  
 3.57 268.095, subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; 299A.01,  
 3.58 by adding a subdivision; 299A.705; 299A.707, by adding a subdivision; 299A.785,

4.1 subdivision 1; 326B.106, subdivision 9; 326B.815, subdivision 1; 327.31, by  
 4.2 adding a subdivision; 327B.041; 327C.095, subdivisions 4, 6, 12, 13, by adding  
 4.3 a subdivision; 349A.05; 357.021, subdivision 2b; 360.013, by adding a subdivision;  
 4.4 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063, subdivisions  
 4.5 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1;  
 4.6 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision  
 4.7 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3;  
 4.8 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision  
 4.9 9, by adding a subdivision; 462A.05, subdivision 14b; 462A.33, subdivisions 1,  
 4.10 2; 462A.37, subdivisions 1, 2; 473.13, by adding subdivisions; 473.149, subdivision  
 4.11 3; 473.3994, by adding a subdivision; 473.606, subdivision 5; 473.8441, subdivision  
 4.12 4; 474A.02, by adding subdivisions; 474A.03, subdivision 1; 474A.04, subdivision  
 4.13 1a; 474A.047, subdivision 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4, by adding  
 4.14 subdivisions; 474A.062; 474A.091, subdivisions 1, 2, 3, 5, 6, by adding a  
 4.15 subdivision; 474A.131, subdivisions 1, 1b, 2; 474A.14; 475.58, subdivision 4;  
 4.16 574.26, subdivision 1a; 609.3241; 609.341, subdivision 10; 609.342, subdivision  
 4.17 1; 609.343, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.746,  
 4.18 subdivision 1; 617.246, subdivisions 2, 3, 4, 7; 617.247, subdivisions 3, 4, 9;  
 4.19 626.556, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections  
 4.20 3.8853, subdivisions 1, 2, by adding subdivisions; 3.972, subdivision 4; 3.98,  
 4.21 subdivisions 1, 4; 15A.083, subdivision 7; 16A.152, subdivision 2; 16E.0466,  
 4.22 subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 84.01, subdivision  
 4.23 6; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivisions 3, 4;  
 4.24 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 89.17; 97A.075, subdivision  
 4.25 1; 103G.222, subdivision 3; 103G.2242, subdivision 1; 103I.005, subdivisions 2,  
 4.26 8a, 17a; 103I.205, subdivisions 1, 4; 103I.208, subdivision 1; 103I.235, subdivision  
 4.27 3; 103I.601, subdivision 4; 116.0714; 116C.779, subdivision 1; 116C.7792;  
 4.28 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.06, subdivision 1;  
 4.29 119B.09, subdivision 1; 119B.095, subdivision 2; 119B.13, subdivision 1;  
 4.30 122A.187, by adding a subdivision; 123B.03, subdivision 1; 124D.151, subdivisions  
 4.31 5, 6; 124D.68, subdivision 2; 124E.03, subdivision 2; 136A.1275, subdivisions 2,  
 4.32 3; 136A.1789, subdivision 2; 136A.646; 136A.672, by adding a subdivision;  
 4.33 136A.822, subdivision 6; 136A.8295, by adding a subdivision; 147.01, subdivision  
 4.34 7; 147A.28; 147B.08; 147C.40; 152.105, subdivision 2; 161.088, subdivision 5;  
 4.35 168.013, subdivision 1a; 169.18, subdivision 7; 169.829, subdivision 4; 171.06,  
 4.36 subdivision 2; 175.46, subdivision 13; 216B.1691, subdivision 2f; 216B.241,  
 4.37 subdivision 1d; 216B.62, subdivision 3b; 245.4889, subdivision 1; 245A.03,  
 4.38 subdivision 7; 245A.06, subdivision 8; 245A.11, subdivision 2a; 245C.16,  
 4.39 subdivision 1; 245D.03, subdivision 1; 256B.0625, subdivisions 3b, 17; 256B.0911,  
 4.40 subdivisions 1a, 3a, 3f, 5; 256B.49, subdivision 13; 256B.4914, subdivisions 2,  
 4.41 3, 5, 10, 10a; 256I.03, subdivision 8; 256I.04, subdivision 2b; 256I.05, subdivision  
 4.42 3; 268.035, subdivisions 15, 20; 268.046, subdivision 1; 268.07, subdivision 1;  
 4.43 268.085, subdivision 13a; 268.095, subdivision 6; 268.18, subdivisions 2b, 5;  
 4.44 298.2215; 298.292, subdivision 2; 364.09; 462A.2035, subdivisions 1, 1b; 473.4051,  
 4.45 subdivision 2; 473.4485, subdivision 2; 475.59, subdivision 1; 477A.03, subdivision  
 4.46 2b; Laws 2010, chapter 361, article 4, section 78; Laws 2014, chapter 312, article  
 4.47 27, section 76; Laws 2015, First Special Session chapter 4, article 4, section 146,  
 4.48 as amended; Laws 2016, chapter 189, article 3, sections 3, subdivision 5; 48; Laws  
 4.49 2017, chapter 88, article 1, section 2, subdivisions 2, 4; Laws 2017, chapter 89,  
 4.50 article 1, section 2, subdivisions 18, 20, 29, 31, 32, 33, 34, 40; Laws 2017, chapter  
 4.51 94, article 1, sections 2, subdivisions 2, 3, 4, subdivision 5; 7, subdivision 7; 9;  
 4.52 Laws 2017, First Special Session chapter 1, article 4, section 31; Laws 2017, First  
 4.53 Special Session chapter 3, article 1, section 4, subdivisions 1, 2, 4; Laws 2017,  
 4.54 First Special Session chapter 4, article 1, section 10, subdivision 1; article 2,  
 4.55 sections 1; 3; 9; 58; Laws 2017, First Special Session chapter 5, article 1, section  
 4.56 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, sections 56; 57, subdivisions 2, 3, 4,  
 4.57 5, 6, 12, 21, 22, 23, 26, 34; article 4, section 12, subdivisions 2, as amended, 3, 4,  
 4.58 5; article 5, section 14, subdivisions 2, 3, 4; article 6, section 3, subdivisions 2, 3,

5.1 4; article 8, sections 9, subdivision 6; 10, subdivisions 5a, 6, 12; article 9, section  
 5.2 2, subdivision 2; article 10, section 6, subdivision 2; article 11, sections 9,  
 5.3 subdivision 2; 12; Laws 2017, First Special Session chapter 6, article 1, section  
 5.4 52; article 3, section 49; article 4, section 61; article 10, section 144; proposing  
 5.5 coding for new law in Minnesota Statutes, chapters 3; 11A; 14; 16A; 17; 62J; 62Q;  
 5.6 97A; 103B; 103F; 115; 115B; 116C; 120B; 123B; 124D; 136A; 144; 147A; 147B;  
 5.7 147C; 147D; 147E; 147F; 161; 168A; 176; 216C; 246; 256B; 260C; 299A; 327;  
 5.8 349A; 360; 383A; 609; repealing Minnesota Statutes 2016, sections 16A.98;  
 5.9 16E.145; 122A.63, subdivisions 7, 8; 126C.16, subdivisions 1, 3; 126C.17,  
 5.10 subdivision 9a; 136A.15, subdivisions 2, 7; 136A.1701, subdivision 12; 155A.28,  
 5.11 subdivisions 1, 3, 4; 168.013, subdivision 21; 214.075, subdivision 8; 221.161,  
 5.12 subdivisions 2, 3, 4; 256B.0625, subdivision 18b; 256B.0705; 268.053, subdivisions  
 5.13 4, 5; 349A.16; 360.063, subdivision 4; 360.065, subdivision 2; 360.066,  
 5.14 subdivisions 1a, 1b; Minnesota Statutes 2017 Supplement, section 256B.0625,  
 5.15 subdivision 31c; Laws 2008, chapter 368, article 1, section 21, subdivision 2; Laws  
 5.16 2016, chapter 189, article 25, section 62, subdivision 16; Laws 2017, First Special  
 5.17 Session chapter 4, article 2, section 59; Minnesota Rules, part 5600.0605, subparts  
 5.18 5, 8.

5.19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

5.20 **ARTICLE 1**

5.21 **STATE GOVERNMENT**

5.22 Section 1. Minnesota Statutes 2016, section 3.855, subdivision 1a, is amended to read:

5.23 Subd. 1a. **Definitions.** (a) "Commission" means the Legislative Coordinating Commission  
 5.24 or a legislative commission established by the coordinating commission, as provided in  
 5.25 section 3.305, subdivision 6, to exercise the powers and discharge the duties of the  
 5.26 coordinating commission under this section or other law requiring action by the coordinating  
 5.27 commission on matters of public employment or compensation.

5.28 (b) "Ratification" must be by law. If a law makes ratification contingent upon the  
 5.29 fulfillment of an express condition, or has an effective date contingent upon the fulfillment  
 5.30 of an express condition, then ratification occurs on the date that the express condition has  
 5.31 been fulfilled or on the effective date, whichever is later. An express condition may include  
 5.32 the enactment of a law. The commissioner of management and budget shall determine  
 5.33 whether an express condition has been fulfilled.

5.34 Sec. 2. Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

5.35 Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget  
 5.36 shall regularly advise the commission on the progress of collective bargaining activities  
 5.37 with state employees under the state Public Employment Labor Relations Act. During  
 5.38 negotiations, the commission may make recommendations to the commissioner as it deems

6.1 appropriate but no recommendation shall impose any obligation or grant any right or privilege  
6.2 to the parties.

6.3 (b) The commissioner shall submit to the chair of the commission any negotiated  
6.4 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
6.5 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
6.6 days of the date of approval by the commissioner or the date of approval by the affected  
6.7 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
6.8 days of their receipt by the commissioner. If the commission disapproves a collective  
6.9 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
6.10 in writing to the parties those portions with which it disagrees and its reasons. If the  
6.11 commission approves a collective bargaining agreement, award, compensation plan, or  
6.12 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
6.13 section.

6.14 (c) The commissioner shall submit to the chair of the commission any negotiated or  
6.15 otherwise proposed changes affecting the provision of insurance to state employees, including  
6.16 any changes to coverage and costs. Any changes must be submitted to the commission  
6.17 within five days of approval of the commissioner and at least 45 days before submitting a  
6.18 collective bargaining agreement or compensation plan that incorporates the proposed changes  
6.19 to the insurance program. If the commission disapproves changes to the state employee  
6.20 insurance program, the commission shall specify in writing to the commissioner those  
6.21 portions with which it disagrees and its reasons. The commissioner must not submit to the  
6.22 commission any collective bargaining agreement or compensation plan that includes any  
6.23 changes to state employee insurance previously disapproved by the commission unless the  
6.24 agreement or plan incorporates changes identified by the commission or otherwise addresses  
6.25 the commission's objections to the changes to the insurance program. The requirements in  
6.26 this paragraph do not apply to the premiums for insurance that are determined solely by the  
6.27 commissioner of management and budget and are not negotiated with representatives of  
6.28 employees.

6.29 ~~(e)~~ (d) When the legislature is not in session, the commission may give interim approval  
6.30 to a negotiated collective bargaining agreement, salary, compensation plan, or arbitration  
6.31 award. When the legislature is not in session, failure of the commission to disapprove a  
6.32 collective bargaining agreement or arbitration award within 30 days constitutes approval.  
6.33 The commission shall submit the negotiated collective bargaining agreements, salaries,  
6.34 compensation plans, or arbitration awards for which it has provided approval to the entire  
6.35 legislature for ratification at a special legislative session called to consider them or at its

7.1 next regular legislative session as provided in this section. Approval or disapproval by the  
7.2 commission is not binding on the legislature.

7.3 ~~(d)~~ (e) When the legislature is not in session, the proposed collective bargaining  
7.4 agreement, arbitration decision, salary, or compensation plan must be implemented upon  
7.5 its approval by the commission, and state employees covered by the proposed agreement  
7.6 or arbitration decision do not have the right to strike while the interim approval is in effect.  
7.7 Wages and economic fringe benefit increases provided for in the agreement or arbitration  
7.8 decision paid in accordance with the interim approval by the commission are not affected,  
7.9 but the wages or benefit increases must cease to be paid or provided effective upon the  
7.10 rejection of the agreement, arbitration decision, salary, or compensation plan, or upon  
7.11 adjournment of the legislature without acting on it.

7.12 Sec. 3. Minnesota Statutes 2016, section 3.855, is amended by adding a subdivision to  
7.13 read:

7.14 Subd. 5. **Information required.** The commissioner of management and budget must  
7.15 submit to the Legislative Coordinating Commission the following information with the  
7.16 submission of a collective bargaining agreement or compensation plan under subdivisions  
7.17 2 and 3:

7.18 (1) for each agency and for each proposed agreement, a comparison of biennial  
7.19 compensation costs under the current agreement or plan to the projected biennial  
7.20 compensation costs under the proposed agreement or plan, paid with funds appropriated  
7.21 from the general fund;

7.22 (2) for each agency and for each proposed agreement and plan, a comparison of biennial  
7.23 compensation costs under the current agreement or plan to the projected compensation costs  
7.24 under the proposed agreement or plan, paid with funds appropriated from each fund other  
7.25 than the general fund;

7.26 (3) for each agency and for each proposed agreement and plan, an identification of the  
7.27 amount of the additional biennial compensation costs that are attributable to salary and  
7.28 wages and to the cost of nonsalary and nonwage benefits; and

7.29 (4) for each agency, for each of clauses (1) to (3), the impact of the aggregate of all  
7.30 agreements and plans being submitted to the commission.

8.1 Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended  
8.2 to read:

8.3 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established  
8.4 ~~under control of the Legislative Coordinating Commission~~ to provide the house of  
8.5 representatives and senate with nonpartisan, accurate, and timely information on the fiscal  
8.6 impact of proposed legislation, without regard to political factors.

8.7 **EFFECTIVE DATE.** This section is effective July 1, 2018.

8.8 Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended  
8.9 to read:

8.10 Subd. 2. **Director; staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget  
8.11 Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties.  
8.12 The director may hire staff necessary to do the work of the office. The director serves in  
8.13 the unclassified service for a term of six years and may not be removed during a term except  
8.14 for cause after a public hearing.

8.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

8.16 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
8.17 subdivision to read:

8.18 Subd. 3. **Uniform procedures.** The director of the Legislative Budget Office must adopt  
8.19 uniform procedures governing the timely preparation of fiscal notes as required by this  
8.20 section and section 3.98. The procedures are not effective until they are approved by the  
8.21 oversight commission. Upon approval, the procedures must be published in the State Register  
8.22 and on the office's Web site.

8.23 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform  
8.24 procedures may be approved by the oversight commission as early as July 1, 2018.

8.25 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
8.26 subdivision to read:

8.27 Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative  
8.28 Budget Office, the head or chief administrative officer of each department or agency of  
8.29 state government, including the Supreme Court, must promptly supply data that are used  
8.30 to prepare a fiscal note, including data that are not public data under section 13.64. Not  
8.31 public data supplied under this subdivision may only be used by the Legislative Budget

9.1 Office to review a department or agency's work in preparing a fiscal note and may not be  
 9.2 used or disseminated for any other purpose, including use by or dissemination to a legislator  
 9.3 or to any officer, department, agency, or committee within the legislative branch. Violation  
 9.4 of this paragraph by the director or other staff of the Legislative Budget Office is cause for  
 9.5 removal, suspension without pay, or immediate dismissal at the direction of the oversight  
 9.6 commission.

9.7 **EFFECTIVE DATE.** This section is effective January 8, 2019.

9.8 Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
 9.9 subdivision to read:

9.10 Subd. 4a. **Fiscal note delivery and posting.** The director of the Legislative Budget  
 9.11 Office must deliver a completed fiscal note to the legislative committee chair who made  
 9.12 the request, and to the chief author of the legislation to which it relates. Within 24 hours of  
 9.13 completion of a fiscal note, the director of the Legislative Budget Office must post a  
 9.14 completed fiscal note on the office's public Web site. This subdivision does not apply to an  
 9.15 unofficial fiscal note that is not public data under section 13.64, subdivision 3.

9.16 **EFFECTIVE DATE.** This section is effective January 6, 2020.

9.17 Sec. 9. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

9.18 (a) The Legislative Budget Office Oversight Commission consists of:

9.19 (1) two members of the senate appointed by the senate majority leader;

9.20 (2) two members of the senate appointed by the senate minority leader;

9.21 (3) two members of the house of representatives appointed by the speaker of the house;

9.22 and

9.23 (4) two members of the house of representatives appointed by the minority leader.

9.24 The director of the Legislative Budget Office is the executive secretary of the commission.

9.25 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan  
 9.26 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,  
 9.27 nonvoting members of the commission.

9.28 (b) Members serve at the pleasure of the appointing authority, or until they are not  
 9.29 members of the legislative body from which they were appointed. Appointing authorities  
 9.30 shall fill vacancies on the commission within 30 days of a vacancy being created.

10.1 (c) The commission shall meet in January of each odd-numbered year to elect its chair  
 10.2 and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall  
 10.3 alternate biennially between the senate and the house of representatives. The commission  
 10.4 shall meet at the call of the chair. The members shall serve without compensation but may  
 10.5 be reimbursed for their reasonable expenses consistent with the rules of the legislature  
 10.6 governing expense reimbursement.

10.7 (d) The commission shall review the work of the Legislative Budget Office and make  
 10.8 recommendations, as the commission determines necessary, to improve the office's ability  
 10.9 to fulfill its duties, and shall perform other functions as directed by this section.

10.10 **Sec. 10. [3.9736] EVALUATION OF INFORMATION TECHNOLOGY PROJECTS.**

10.11 Subdivision 1. **Definition.** For purposes of this section, "information technology project"  
 10.12 means a project performed by the Division of Information Technology under a service-level  
 10.13 agreement for a state agency.

10.14 Subd. 2. **Selection of project for review; schedule for evaluation; report.** Annually,  
 10.15 the legislative auditor may submit to the Legislative Audit Commission a list of three to  
 10.16 five information technology projects proposed for review. In selecting projects to include  
 10.17 on the list, the legislative auditor may consider the cost of the project to the state, the impact  
 10.18 of the project on state agencies and public users, and the legislature's interest in ensuring  
 10.19 that state agencies meet the needs of the public. The legislative auditor may include  
 10.20 completed projects and ongoing projects and shall give particular consideration to forensic  
 10.21 review of high-profile problematic projects from which recommendations may be developed  
 10.22 to prevent problems on future projects. Annually, the Legislative Audit Commission may  
 10.23 select at least one information technology project for the legislative auditor's evaluation.  
 10.24 The legislative auditor may evaluate the selected information technology project according  
 10.25 to an evaluation plan established under subdivision 3 and submit a written report to the  
 10.26 Legislative Audit Commission.

10.27 Subd. 3. **Evaluation plan.** The Legislative Audit Commission may establish an evaluation  
 10.28 plan that identifies elements the legislative auditor must include in an evaluation of an  
 10.29 information technology project. The Legislative Audit Commission may modify the  
 10.30 evaluation plan as needed.

11.1 Sec. 11. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to  
 11.2 read:

11.3 Subdivision 1. **Preparation; duties.** ~~(a)~~ The head or chief administrative officer of each  
 11.4 department or agency of the state government, including the Supreme Court, shall ~~cooperate~~  
 11.5 ~~with the Legislative Budget Office and the Legislative Budget Office must~~ prepare a fiscal  
 11.6 note at the request of the chair of the standing committee to which a bill has been referred,  
 11.7 or the chair of the house of representatives Ways and Means Committee, or the chair of the  
 11.8 senate Committee on Finance.

11.9 ~~(b) Upon request of the Legislative Budget Office, the head or chief administrative~~  
 11.10 ~~officer of each department or agency of state government, including the Supreme Court,~~  
 11.11 ~~must promptly supply all information necessary for the Legislative Budget Office to prepare~~  
 11.12 ~~an accurate and timely fiscal note.~~

11.13 ~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing~~  
 11.14 ~~of responses to requests for information and governing access to data, consistent with laws~~  
 11.15 ~~governing access to data. Agencies must comply with these standards and guidelines and~~  
 11.16 ~~the Legislative Budget Office must publish them on the office's Web site.~~

11.17 ~~(d)~~ For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 11.18 and commissions supervised or appointed by the state Supreme Court or the state court  
 11.19 administrator.

11.20 Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, as amended  
 11.21 by article 1, section 11, is amended to read:

11.22 Subdivision 1. **Preparation.** The head or chief administrative officer of each department  
 11.23 or agency of the state government, including the Supreme Court, shall, in consultation with  
 11.24 the Legislative Budget Office and consistent with the standards, guidelines, and procedures  
 11.25 adopted under section 3.8853, prepare a fiscal note at the request of the chair of the standing  
 11.26 committee to which a bill has been referred, or the chair of the house of representatives  
 11.27 Ways and Means Committee, or the chair of the senate Committee on Finance.

11.28 For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 11.29 and commissions supervised or appointed by the state Supreme Court or the state court  
 11.30 administrator.

11.31 **EFFECTIVE DATE.** This section is effective January 6, 2020.

12.1 Sec. 13. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is amended to  
 12.2 read:

12.3 Subd. 4. **Uniform procedure.** The ~~Legislative Budget Office~~ commissioner of  
 12.4 management and budget shall prescribe a uniform procedure to govern the departments and  
 12.5 agencies of the state in complying with the requirements of this section.

12.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 12.7 supersedes the amendment under Laws 2017, First Special Session chapter 4, article 2,  
 12.8 section 8.

12.9 Sec. 14. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

12.10 Subd. 35. **Public official.** "Public official" means any:

12.11 (1) member of the legislature;

12.12 (2) individual employed by the legislature as secretary of the senate, legislative auditor,  
 12.13 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor  
 12.14 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of  
 12.15 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis  
 12.16 Department;

12.17 (3) constitutional officer in the executive branch and the officer's chief administrative  
 12.18 deputy;

12.19 (4) solicitor general or deputy, assistant, or special assistant attorney general;

12.20 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
 12.21 department or agency as listed in section 15.01 or 15.06, or the state chief information  
 12.22 officer;

12.23 (6) member, chief administrative officer, or deputy chief administrative officer of a state  
 12.24 board or commission that has either the power to adopt, amend, or repeal rules under chapter  
 12.25 14, or the power to adjudicate contested cases or appeals under chapter 14;

12.26 (7) individual employed in the executive branch who is authorized to adopt, amend, or  
 12.27 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

12.28 (8) executive director of the State Board of Investment;

12.29 (9) deputy of any official listed in clauses (7) and (8);

12.30 (10) judge of the Workers' Compensation Court of Appeals;

13.1 (11) administrative law judge or compensation judge in the State Office of Administrative  
13.2 Hearings or unemployment law judge in the Department of Employment and Economic  
13.3 Development;

13.4 (12) member, regional administrator, division director, general counsel, or operations  
13.5 manager of the Metropolitan Council;

13.6 (13) member or chief administrator of a metropolitan agency;

13.7 (14) director of the Division of Alcohol and Gambling Enforcement in the Department  
13.8 of Public Safety;

13.9 (15) member or executive director of the Higher Education Facilities Authority;

13.10 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

13.11 (17) member of the board of directors or executive director of the Minnesota State High  
13.12 School League;

13.13 (18) member of the Minnesota Ballpark Authority established in section 473.755;

13.14 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

13.15 (20) manager of a watershed district, or member of a watershed management organization  
13.16 as defined under section 103B.205, subdivision 13;

13.17 (21) supervisor of a soil and water conservation district;

13.18 (22) director of Explore Minnesota Tourism;

13.19 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section  
13.20 97A.056;

13.21 (24) citizen member of the Clean Water Council established in section 114D.30;

13.22 (25) member or chief executive of the Minnesota Sports Facilities Authority established  
13.23 in section 473J.07;

13.24 (26) district court judge, appeals court judge, or Supreme Court justice;

13.25 (27) county commissioner;

13.26 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or

13.27 (29) member of the Destination Medical Center Corporation established in section  
13.28 469.41.

13.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

14.1 Sec. 15. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to  
 14.2 read:

14.3 Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A head or  
 14.4 chief administrative officer of a department or agency of the state government, including  
 14.5 the Supreme Court, must provide data that are used to prepare a fiscal note, including data  
 14.6 that are not public data under this section to the director of the Legislative Budget Office  
 14.7 upon the director's request and consistent with section 3.8853, subdivision 4. The data must  
 14.8 be supplied according to any procedures adopted under section 3.8853, subdivision 3,  
 14.9 including any procedures governing timeliness. Notwithstanding section 13.05, subdivision  
 14.10 9, a responsible authority may not require the Legislative Budget Office to pay a cost for  
 14.11 supplying data requested under this subdivision.

14.12 **EFFECTIVE DATE.** This section is effective January 8, 2019.

14.13 Sec. 16. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**  
 14.14 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

14.15 Subdivision 1. **Definition.** As used in this section, "residential construction" means the  
 14.16 new construction or remodeling of any building subject to the Minnesota Residential Code.

14.17 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if  
 14.18 implementation of a proposed rule, or any portion of a proposed rule, will, on average,  
 14.19 increase the cost of residential construction by \$1,000 or more per unit, and whether the  
 14.20 proposed rule meets the state regulatory policy objectives described in section 14.002. In  
 14.21 calculating the cost of implementing a proposed rule, the agency may consider the impact  
 14.22 of other related proposed rules on the overall cost of residential construction. If applicable,  
 14.23 the agency may include offsetting savings that may be achieved through implementation  
 14.24 of related proposed rules in its calculation under this subdivision.

14.25 (b) The agency must make the determination required by paragraph (a) before the close  
 14.26 of the hearing record, or before the agency submits the record to the administrative law  
 14.27 judge if there is no hearing. Upon request of a party affected by the proposed rule, the  
 14.28 administrative law judge must review and approve or disapprove an agency's determination  
 14.29 under this subdivision.

14.30 Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the  
 14.31 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or  
 14.32 if the administrative law judge separately confirms the cost of any portion of a rule exceeds  
 14.33 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair

15.1 and ranking minority members of the policy committees of the house of representatives and  
 15.2 the senate with jurisdiction over the subject matter of the proposed rule within ten days of  
 15.3 the determination. The agency shall not adopt the proposed rule until after the adjournment  
 15.4 of the next session of the legislature convened on or after the date that notice required in  
 15.5 this subdivision is given to the chairs and ranking minority members.

15.6 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to  
 15.7 administrative rules for which a request for comment is published on or after that date.

15.8 **Sec. 17. [16A.104] FEDERAL FUNDS REPORT.**

15.9 The commissioner must report to the chairs and ranking minority members of the house  
 15.10 of representatives Ways and Means and senate Finance Committee on receipt of federal  
 15.11 funds by the state. The report must be submitted with the governor's detailed operating  
 15.12 budget in accordance with section 16A.11, subdivision 1, in an odd-numbered year and  
 15.13 within ten days prior to the start of the regular session in accordance with section 3.3005,  
 15.14 subdivision 2, in an even-numbered year. The report must include the total amount of federal  
 15.15 funds received by the state in the fiscal year ending the prior June 30 and the total amount  
 15.16 of federal funds anticipated to be received by the state in the current fiscal year. For each  
 15.17 category of federal funding, the report must list:

15.18 (1) the name of the federal grant or federal funding source, the federal agency providing  
 15.19 the funding, a federal identification number, a description of the purpose of the federal  
 15.20 funding, and an electronic address at which additional relevant documents related to the  
 15.21 grant or funding program may be found;

15.22 (2) the amount of federal funding the state received through that grant or source in the  
 15.23 fiscal year ending the prior June 30 and the total amount of federal funds anticipated to be  
 15.24 received by the state in the current fiscal year;

15.25 (3) if there is a federal maintenance-of-effort requirement associated with the funding;

15.26 (4) the number of full-time equivalent state employees assigned to implement the federal  
 15.27 funding's purpose;

15.28 (5) the amount of funds spent, as a match or otherwise, in conjunction with receipt of  
 15.29 the federal funding in the fiscal year ending the prior June 30, and the amount of funds  
 15.30 anticipated to be spent in the current fiscal year, listing state and nonstate sources of spent  
 15.31 funds separately; and

15.32 (6) the maximum amount of the federal funds that may be used for indirect costs  
 15.33 associated with implementing the funds' purpose.

16.1 Sec. 18. Minnesota Statutes 2016, section 16E.01, subdivision 1, is amended to read:

16.2 Subdivision 1. ~~Creation; chief information officer.~~ The Office of MN.IT Services  
 16.3 Division of Information Technology, referred to in this chapter as the "~~office,~~" "division,"  
 16.4 ~~is an agency in the executive branch headed by a~~ under the supervision of the commissioner;  
 16.5 ~~who also is the state chief information officer~~ of administration. The appointment of the  
 16.6 commissioner is subject to the advice and consent of the senate under section 15.066.

16.7 Sec. 19. Minnesota Statutes 2016, section 16E.015, is amended by adding a subdivision  
 16.8 to read:

16.9 Subd. 2a. Commissioner. "Commissioner" means the commissioner of administration.

16.10 Sec. 20. Minnesota Statutes 2016, section 16E.016, is amended to read:

16.11 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**  
 16.12 **AND EQUIPMENT.**

16.13 (a) The chief information officer is responsible for providing or entering into managed  
 16.14 services contracts for the provision, improvement, and development of the following  
 16.15 information technology systems and services to state agencies:

16.16 (1) state data centers;

16.17 (2) mainframes including system software;

16.18 (3) servers including system software;

16.19 ~~(4) desktops including system software;~~

16.20 ~~(5) laptop computers including system software;~~

16.21 ~~(6)~~ (4) a data network including system software;

16.22 ~~(7) database, (5) electronic mail, office systems, reporting, and other standard software~~  
 16.23 ~~tools;~~

16.24 ~~(8) business application software and related technical support services;~~

16.25 ~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);

16.26 ~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in  
 16.27 clauses (1) to ~~(8)~~ (5); and

16.28 ~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to  
 16.29 ~~(8)~~; and (5).

17.1 ~~(12) network-connected output devices.~~

17.2 (b) The chief information officer is responsible for providing or entering into managed  
 17.3 services contracts for the provision, improvement, and development of the following  
 17.4 information technology systems and services to a state agency, at the request of the agency:

17.5 (1) desktops including system software;

17.6 (2) laptop computers including system software;

17.7 (3) database, office systems, reporting, and other standard software tools;

17.8 (4) business application software and related technical support services;

17.9 (5) help desk for the components listed in clauses (1) to (4);

17.10 (6) maintenance, problem resolution, and break-fix for the components listed in clauses  
 17.11 (1) to (4);

17.12 (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and

17.13 (8) network-connected output devices.

17.14 ~~(b)~~ (c) All state agency employees whose work primarily involves functions specified  
 17.15 in paragraph (a) are employees of the Office of MN.IT Services in the Division of Information  
 17.16 Technology under the Department of Administration. This includes employees who directly  
 17.17 perform the functions in paragraph (a), as well as employees whose work primarily involves  
 17.18 managing, supervising, or providing administrative services or support services to employees  
 17.19 who directly perform these functions. The chief information officer may assign employees  
 17.20 of the office division to perform work exclusively for another state agency.

17.21 ~~(e)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow  
 17.22 a state agency to obtain services specified in paragraph (a) through a contract with an outside  
 17.23 vendor when the chief information officer and the agency head agree that a contract would  
 17.24 provide best value, as defined in section 16C.02, under the service-level agreement. The  
 17.25 chief information officer must require that Agency contracts with outside vendors ensure  
 17.26 that systems and services are compatible with standards established by the Office of MN.IT  
 17.27 Services the Division of Information Technology.

17.28 ~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement  
 17.29 Association, the Teachers Retirement Association, the State Board of Investment, the  
 17.30 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio  
 17.31 Board are not state agencies for purposes of this section.

18.1 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to contracts  
 18.2 entered into on or after that date.

18.3 Sec. 21. Minnesota Statutes 2016, section 16E.02, is amended to read:

18.4 **16E.02 OFFICE OF MN.IT SERVICES DIVISION OF INFORMATION**  
 18.5 **TECHNOLOGY; STRUCTURE AND PERSONNEL.**

18.6 Subdivision 1. **Office management and structure.** (a) The chief information officer is  
 18.7 appointed by the ~~governor~~ commissioner, subject to the advice and consent of the senate  
 18.8 under section 15.066. The chief information officer serves in the unclassified service at the  
 18.9 pleasure of the ~~governor~~ commissioner. The chief information officer must have experience  
 18.10 leading enterprise-level information technology organizations. The chief information officer  
 18.11 is the state's chief information officer and information and telecommunications technology  
 18.12 advisor to the governor.

18.13 (b) The chief information officer may appoint other employees of the ~~office~~ division.  
 18.14 The staff of the ~~office~~ division must include individuals knowledgeable in information and  
 18.15 telecommunications technology systems and services and individuals with specialized  
 18.16 training in information security and accessibility.

18.17 (c) The chief information officer may appoint a Webmaster responsible for the supervision  
 18.18 and development of state Web sites under the control of the ~~office~~ division. The Webmaster,  
 18.19 if appointed, shall ensure that these Web sites are maintained in an easily accessible format  
 18.20 that is consistent throughout state government and are consistent with the accessibility  
 18.21 standards developed under section 16E.03, subdivision 9. The Webmaster, if appointed,  
 18.22 shall provide assistance and guidance consistent with the requirements of this paragraph to  
 18.23 other state agencies for the maintenance of other Web sites not under the direct control of  
 18.24 the ~~office~~ division.

18.25 Subd. 1a. **Accountability.** The chief information officer reports to the ~~governor~~  
 18.26 commissioner. The chief information officer must consult regularly with the commissioners  
 18.27 of ~~administration~~, management and budget, human services, revenue, and other  
 18.28 commissioners as designated by the governor, on technology projects, standards, and services  
 18.29 as well as management of resources and staff utilization.

19.1 Sec. 22. Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 1, is amended  
19.2 to read:

19.3 Subdivision 1. **Consultation required.** (a) Every state agency with an information or  
19.4 telecommunications project must consult with the ~~Office of MN.IT Services~~ Division of  
19.5 Information Technology to determine the information technology cost of the project if the  
19.6 division is selected by an agency to perform the project. Upon agreement between the  
19.7 commissioner of a particular agency and the chief information officer, the agency must  
19.8 transfer the information technology cost portion of the project to the ~~Office of MN.IT~~  
19.9 ~~Services~~ commissioner of administration. Service level agreements must document all  
19.10 project-related transfers under this section. Those agencies specified in section 16E.016,  
19.11 paragraph ~~(d)~~ (e), are exempt from the requirements of this section.

19.12 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance  
19.13 appropriated to a state agency may be transferred to the information and telecommunications  
19.14 technology systems and services account for the information technology cost of a specific  
19.15 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,  
19.16 subdivision 3.

19.17 Sec. 23. Minnesota Statutes 2016, section 16E.055, is amended to read:

19.18 **16E.055 ELECTRONIC GOVERNMENT SERVICES.**

19.19 A state agency that implements electronic government services for fees, licenses, sales,  
19.20 or other purposes ~~must~~ may use the single entry site created by the chief information officer  
19.21 for all agencies to use for electronic government services.

19.22 Sec. 24. Minnesota Statutes 2016, section 16E.14, is amended to read:

19.23 **16E.14 ~~MN.IT SERVICES~~ INFORMATION TECHNOLOGY REVOLVING**  
19.24 **FUND.**

19.25 Subdivision 1. **Creation.** The ~~MN.IT services~~ information technology revolving fund  
19.26 is created in the state treasury.

19.27 Subd. 2. **Appropriation and uses of fund.** Money in the ~~MN.IT services~~ information  
19.28 technology revolving fund is appropriated annually to the ~~chief information officer~~  
19.29 commissioner to operate information and telecommunications services, including  
19.30 management, consultation, and design services.

19.31 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each  
19.32 agency shall reimburse the ~~MN.IT services~~ information technology revolving fund for the

20.1 cost of all services, supplies, materials, labor, and depreciation of equipment, including  
 20.2 reasonable overhead costs, which the ~~chief information officer~~ commissioner is authorized  
 20.3 and directed to furnish an agency. The ~~chief information officer~~ commissioner shall report  
 20.4 the rates to be charged for the revolving fund no later than ~~July 1 each~~ June 1 each  
 20.5 even-numbered calendar year to the chair of the committee or division in the senate and  
 20.6 house of representatives with primary jurisdiction over the budget of the ~~Office of MN.IT~~  
 20.7 ~~Services~~ Division of Information Technology. These rates shall apply for the biennium  
 20.8 beginning July 1 of the following calendar year.

20.9 Subd. 4. **Cash flow.** The commissioner of management and budget shall make appropriate  
 20.10 transfers to the revolving fund when requested by the chief information officer. The chief  
 20.11 information officer may make allotments and encumbrances in anticipation of such transfers.  
 20.12 In addition, the ~~chief information officer~~ commissioner, with the approval of the  
 20.13 commissioner of management and budget, may require an agency to make advance payments  
 20.14 to the revolving fund sufficient to cover the ~~office's~~ division's estimated obligation for a  
 20.15 period of at least 60 days. All reimbursements and other money received by the ~~chief~~  
 20.16 ~~information officer~~ commissioner under this section must be deposited in the ~~MN.IT services~~  
 20.17 information technology revolving fund.

20.18 Subd. 5. **Liquidation.** If the ~~MN.IT services~~ information technology revolving fund is  
 20.19 abolished or liquidated, the total net profit from the operation of the fund must be distributed  
 20.20 to the various funds from which purchases were made. The amount to be distributed to each  
 20.21 fund must bear to the net profit the same ratio as the total purchases from each fund bears  
 20.22 to the total purchases from all the funds during the same period of time.

20.23 **EFFECTIVE DATE.** This section is effective July 1, 2018. The commissioner shall  
 20.24 report rates to be charged for the revolving fund no later than July 1, 2018, for the biennium  
 20.25 beginning July 1, 2019.

20.26 Sec. 25. Minnesota Statutes 2016, section 16E.18, subdivision 4, is amended to read:

20.27 Subd. 4. **Program participation.** The chief information officer may ~~require~~ request the  
 20.28 participation of state agencies ~~and~~<sub>2</sub> the commissioner of education, ~~and may request the~~  
 20.29 ~~participation of~~ the Board of Regents of the University of Minnesota<sub>2</sub> and the Board of  
 20.30 Trustees of the Minnesota State Colleges and Universities<sub>7</sub> in the planning and  
 20.31 implementation of the network to provide interconnective technologies. The Board of  
 20.32 Trustees of the Minnesota State Colleges and Universities may opt out of participation as  
 20.33 a subscriber on the network, in whole or in part, if the board is able to secure

21.1 telecommunications services from another source that ensures it will achieve the policy  
21.2 objectives set forth in subdivision 1.

21.3 Sec. 26. Minnesota Statutes 2016, section 16E.18, subdivision 6, is amended to read:

21.4 Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in  
21.5 cooperation with the commissioner of management and budget to be billed to participating  
21.6 agencies and educational institutions sufficient to cover the operating, maintenance, and  
21.7 administrative costs of the system.

21.8 (b) An invoice or statement to an agency from the chief information officer must include  
21.9 clear descriptions of the services the Division of Information Technology has provided. The  
21.10 invoice or statement must categorize or code services in a manner prescribed by the agency,  
21.11 or the chief information office must provide supplemental information with an invoice or  
21.12 statement that categorizes or codes all services reflected on the invoice or statement in a  
21.13 manner prescribed by the agency.

21.14 (c) Except as otherwise provided in subdivision 4, a direct appropriation made to an  
21.15 educational institution for usage costs associated with the state information infrastructure  
21.16 must only be used by the educational institution for payment of usage costs of the network  
21.17 as billed by the chief information officer.

21.18 Sec. 27. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

21.19 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this  
21.20 subdivision.

21.21 (b) Three-year license fees are as follows:

21.22 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:

21.23 (i) \$155 for each initial license; and

21.24 (ii) \$40 for each initial license application fee;

21.25 (2) \$115 renewal of practitioner license, divided as follows:

21.26 (i) \$100 for each renewal license; and

21.27 (ii) \$15 for each renewal application fee;

21.28 (3) \$145 renewal of manager or instructor license, divided as follows:

21.29 (i) \$130 for each renewal license; and

21.30 (ii) \$15 for each renewal application fee;

- 22.1 (4) \$350 initial salon license, divided as follows:
- 22.2 (i) \$250 for each initial license; and
- 22.3 (ii) \$100 for each initial license application fee;
- 22.4 (5) \$225 renewal of salon license, divided as follows:
- 22.5 (i) \$175 for each renewal; and
- 22.6 (ii) \$50 for each renewal application fee;
- 22.7 (6) \$4,000 initial school license, divided as follows:
- 22.8 (i) \$3,000 for each initial license; and
- 22.9 (ii) \$1,000 for each initial license application fee; and
- 22.10 (7) \$2,500 renewal of school license, divided as follows:
- 22.11 (i) \$2,000 for each renewal; and
- 22.12 (ii) \$500 for each renewal application fee.
- 22.13 (c) Penalties may be assessed in amounts up to the following:
- 22.14 (1) reinspection fee, \$150;
- 22.15 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 22.16 (3) expired practitioner or instructor found on inspection, \$200;
- 22.17 (4) expired salon found on inspection, \$500;
- 22.18 (5) expired school found on inspection, \$1,000;
- 22.19 (6) failure to display current license, \$100;
- 22.20 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 22.21 under section 155A.355, subdivision 1, \$500;
- 22.22 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 22.23 subdivision 2, \$500;
- 22.24 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 22.25 or cosmetology services in a nail salon, \$500;
- 22.26 (10) owner and manager allowing an operator to work as an independent contractor,
- 22.27 \$200;
- 22.28 (11) operator working as an independent contractor, \$100;

- 23.1 (12) refusal or failure to cooperate with an inspection, \$500;
- 23.2 (13) practitioner late renewal fee, \$45; and
- 23.3 (14) salon or school late renewal fee, \$50.
- 23.4 (d) Administrative fees are as follows:
- 23.5 (1) homebound service permit, \$50 three-year fee;
- 23.6 (2) name change, \$20;
- 23.7 (3) certification of licensure, \$30 each;
- 23.8 (4) duplicate license, \$20;
- 23.9 (5) special event permit, \$75 per year;
- 23.10 ~~(6) registration of hair braiders, \$20 per year;~~
- 23.11 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,
- 23.12 esthetician, or advanced practice esthetician one-year fee;
- 23.13 ~~(8)~~ (7) expedited initial individual license, \$150;
- 23.14 ~~(9)~~ (8) expedited initial salon license, \$300;
- 23.15 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and
- 23.16 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

23.17 Sec. 28. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision

23.18 to read:

23.19 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the

23.20 requirements of this chapter.

23.21 Sec. 29. Minnesota Statutes 2016, section 179A.06, subdivision 3, is amended to read:

23.22 Subd. 3. **Fair share fee.** An exclusive representative ~~may~~ shall not require employees

23.23 who are not members of the exclusive representative to contribute a fair share fee for services

23.24 rendered by the exclusive representative. ~~The fair share fee must be equal to the regular~~

23.25 ~~membership dues of the exclusive representative, less the cost of benefits financed through~~

23.26 ~~the dues and available only to members of the exclusive representative. In no event may~~

23.27 ~~the fair share fee exceed 85 percent of the regular membership dues. The exclusive~~

23.28 ~~representative shall provide advance written notice of the amount of the fair share fee to~~

24.1 ~~the employer and to unit employees who will be assessed the fee. The employer shall provide~~  
 24.2 ~~the exclusive representative with a list of all unit employees.~~

24.3 A challenge by an employee or by a person aggrieved by the fee must be filed in writing  
 24.4 with the commissioner, the public employer, and the exclusive representative within 30  
 24.5 days after receipt of the written notice. All challenges must specify those portions of the  
 24.6 fee challenged and the reasons for the challenge. The burden of proof relating to the amount  
 24.7 of the fair share fee is on the exclusive representative. The commissioner shall hear and  
 24.8 decide all issues in these challenges.

24.9 The employer shall deduct the fee from the earnings of the employee and transmit the  
 24.10 fee to the exclusive representative 30 days after the written notice was provided. If a challenge  
 24.11 is filed, the deductions for a fair share fee must be held in escrow by the employer pending  
 24.12 a decision by the commissioner.

24.13 **EFFECTIVE DATE.** This section is effective the day following a decision by the  
 24.14 United States Supreme Court holding that public employees who are not members of an  
 24.15 exclusive representative shall not be required to pay fair share fees, but if that decision with  
 24.16 that holding is issued before July 1, 2018, then the effective date is July 1, 2018.

24.17 Sec. 30. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
 24.18 to read:

24.19 Subd. 4. **Voter records updated due to voting report.** No later than eight weeks after  
 24.20 the election, the county auditor must use the statewide voter registration system to produce  
 24.21 a report that identifies each voter whose record indicates that it was updated due to voting.  
 24.22 The county auditor must investigate each record that is challenged for a reason related to  
 24.23 eligibility to determine if the voter appears to have been ineligible to vote. If the county  
 24.24 auditor determines that a voter appears to have been ineligible to vote and either registered  
 24.25 to vote or voted in the previous election, the county auditor must notify the law enforcement  
 24.26 agency or the county attorney as provided in section 201.275.

24.27 Sec. 31. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
 24.28 to read:

24.29 Subd. 5. **Inactive voter report.** By November 6, 2018, the secretary of state must develop  
 24.30 a report within the statewide voter registration system that provides information on inactive  
 24.31 voters who registered on election day and were possibly ineligible. For elections on or after  
 24.32 November 6, 2018, no later than eight weeks after the election, the county auditor must use  
 24.33 the statewide voter registration system to produce the report. The county auditor must

25.1 investigate each record to determine if the voter appears to have been ineligible to vote. If  
 25.2 the county auditor determines that a voter appears to have been ineligible to vote and  
 25.3 registered to vote in the previous election, the county auditor must notify the law enforcement  
 25.4 agency or the county attorney as provided in section 201.275.

25.5 Sec. 32. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended  
 25.6 to read:

25.7 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable  
 25.8 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be  
 25.9 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable  
 25.10 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is  
 25.11 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the  
 25.12 commissioner of revenue to make reimbursements to the commissioner of management and  
 25.13 budget for payments made under section 611.27. The reimbursements shall be to defray the  
 25.14 additional costs associated with court-ordered counsel under section 611.27. Any retained  
 25.15 amounts not used for reimbursement in a year shall be included in the next distribution of  
 25.16 county need aid that is certified to the county auditors for the purpose of property tax  
 25.17 reduction for the next taxes payable year.

25.18 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,  
 25.19 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer to the  
 25.20 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of  
 25.21 local impact notes as required by section 3.987, ~~and other local government activities~~ to the  
 25.22 Legislative Coordinating Commission for use by the Legislative Budget Office.

25.23 The commissioner of revenue shall transfer to the commissioner of education \$7,000  
 25.24 annually for the cost of preparation of local impact notes for school districts as required by  
 25.25 section 3.987. The commissioner of revenue shall deduct the amounts transferred under this  
 25.26 paragraph from the appropriation under this paragraph. The amounts transferred are  
 25.27 appropriated to the commissioner of management and budget and the commissioner of  
 25.28 education respectively.

25.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.

26.1 Sec. 33. Laws 2017, First Special Session chapter 4, article 1, section 10, subdivision 1,  
26.2 is amended to read:

26.3				<b>2,662,000</b>
26.4	Subdivision 1. <b>Total Appropriation</b>	\$	<b>2,642,000</b>	\$ <b><u>2,643,000</u></b>

26.5 The amounts that may be spent for each  
26.6 purpose are specified in the following  
26.7 subdivisions.

26.8 The state chief information officer must  
26.9 prioritize use of appropriations provided by  
26.10 this section to enhance cybersecurity across  
26.11 state government.

26.12 Sec. 34. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,  
26.13 is amended to read:

26.14 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

26.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

26.16 Sec. 35. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,  
26.17 is amended to read:

26.18 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective  
26.19 ~~January 8, 2019~~ July 1, 2018.

26.20 **EFFECTIVE DATE.** This section is effective July 1, 2018.

26.21 Sec. 36. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date,  
26.22 is amended to read:

26.23 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ January 6, 2020.

26.24 Sec. 37. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective  
26.25 date, is amended to read:

26.26 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The contract  
26.27 required under this section must be executed no later than November 1, 2018, and must  
26.28 provide for the Legislative Budget Office to have access to the fiscal note tracking system  
26.29 from December 15, 2018, to January 5, 2020, and for the transfer of operational control of  
26.30 the fiscal note tracking system to the Legislative Budget Office on January 6, 2020.

27.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

27.2 Sec. 38. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST**  
27.3 **APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

27.4 Appointments to the Legislative Budget Office Oversight Commission under Minnesota  
27.5 Statutes, section 3.8854, must be made by July 1, 2018. The chair of the Legislative  
27.6 Coordinating Commission must designate one appointee to convene the commission's first  
27.7 meeting. The designated appointee must convene the first meeting no later than July 15,  
27.8 2018. The first chair of the Legislative Budget Office Oversight Commission shall be a  
27.9 member of the senate and shall serve until the commission elects a chair at a meeting in  
27.10 January 2019.

27.11 Sec. 39. **LEGISLATIVE BUDGET OFFICE DELIVERY OF FISCAL NOTES AND**  
27.12 **LOCAL IMPACT NOTES BEFORE JANUARY 6, 2020.**

27.13 Subdivision 1. **Management and budget responsibility.** Until January 6, 2020, the  
27.14 responsibilities of the commissioner of management and budget with regard to fiscal notes  
27.15 and local impact notes remains the same as on May 1, 2017.

27.16 Subd. 2. **Fiscal note request.** Until January 6, 2020, the commissioner of management  
27.17 and budget must submit to the director of the Legislative Budget Office a daily list of all  
27.18 new requests for fiscal notes that have been requested since the previous list submitted under  
27.19 this subdivision. The commissioner must submit the daily fiscal note list at the end of each  
27.20 business day. For fiscal note requests received between the end of the business day on Friday  
27.21 and Monday morning, the commissioner shall submit the list on Monday morning.  
27.22 Notwithstanding the daily list requirement in this subdivision, when the legislature is not  
27.23 in session, the commissioner shall submit a weekly list of all fiscal notes received during  
27.24 the previous week.

27.25 Subd. 3. **Local impact note request.** Until January 6, 2020, the commissioner of  
27.26 management and budget will forward to the director of the Legislative Budget Office at the  
27.27 end of each week a list of all requests for local impact notes that the commissioner has  
27.28 received since the previous list submitted under this subdivision.

27.29 Subd. 4. **Legislative Budget Office sampling.** (a) Until January 6, 2020, the director  
27.30 of the Legislative Budget Office shall select from among the requests for fiscal notes and  
27.31 local impact notes a subset for the Legislative Budget Office to coordinate on a test basis.  
27.32 Within 48 hours of receiving a list of requests from the commissioner of management and  
27.33 budget, the director shall communicate to the lead nonpartisan fiscal analyst of the senate

28.1 and the chief nonpartisan fiscal analyst of the house of representatives whether the Legislative  
 28.2 Budget Office will coordinate a fiscal note or local impact note from the listed requests.  
 28.3 The subset selected by the director must include a cross-section of the jurisdictions of the  
 28.4 standing committees in the house of representatives and senate and must include a  
 28.5 representative number of multiagency fiscal notes. During the 2019 legislative session, the  
 28.6 Legislative Budget Office shall complete coordination of at least 300 fiscal notes and at  
 28.7 least two local impact notes.

28.8 (b) By June 30, 2019, the director of the Legislative Budget Office shall deliver a  
 28.9 summary report to the chairs and ranking minority members of the Committee on Finance  
 28.10 in the senate and the Committee on Ways and Means in the house of representatives and to  
 28.11 the lead nonpartisan fiscal analyst of the senate and the chief nonpartisan fiscal analyst of  
 28.12 the house of representatives identifying each fiscal note and local impact note request  
 28.13 received, the subset selected for coordination, the date the director received a list from the  
 28.14 commissioner of management and budget identifying the request, and the date of delivery  
 28.15 of completed notes.

28.16 Subd. 5. **Agency coordination.** (a) Until January 6, 2020, the head or chief administrative  
 28.17 officer of each department or agency of the state government, including the Supreme Court,  
 28.18 shall, in consultation with the Legislative Budget Office and consistent with the procedures  
 28.19 adopted under Minnesota Statutes, section 3.8853, prepare a fiscal note at the request of the  
 28.20 chair of the standing committee to which a bill has been referred, or the chair of the house  
 28.21 of representatives Ways and Means Committee, or the chair of the senate Committee on  
 28.22 Finance.

28.23 (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 28.24 and commissions supervised or appointed by the state Supreme Court or the state court  
 28.25 administrator.

28.26 Subd. 6. **Delivery of fiscal notes.** Until January 6, 2020, the director of the Legislative  
 28.27 Budget Office shall timely deliver completed fiscal notes and local impact notes, each clearly  
 28.28 labeled as "LBO-Coordinated Transition-Year Test Note," to the chair of the committee in  
 28.29 the house of representatives or the senate who requested the note and to the chief author of  
 28.30 the bill to which it relates.

28.31 Subd. 7. **Legislative Budget Office Oversight Commission performance assessment.**  
 28.32 By November 1, 2019, the Legislative Budget Office Oversight Commission shall report  
 28.33 to the chairs and members of the Committee on Finance in the senate and the Committee  
 28.34 on Ways and Means in the house of representatives on the performance of the Legislative

29.1 Budget Office in coordinating fiscal notes and local impact notes during the 2019 legislative  
 29.2 session. The report shall consider the timeliness of the delivery of the notes and the quality  
 29.3 of the notes in comparison to the timeliness and quality of the notes coordinated on the same  
 29.4 bills by the commissioner of management and budget, and the cost-effectiveness of the  
 29.5 work of the Legislative Budget Office.

29.6 **EFFECTIVE DATE.** This section is effective January 8, 2019, and expires on January  
 29.7 6, 2020.

29.8 Sec. 40. **OFFICE OF MN.IT SERVICES; TRANSFER.**

29.9 Minnesota Statutes, sections 15.039 and 43A.045, apply to the transfer of the Office of  
 29.10 MN.IT Services to the commissioner of administration.

29.11 Sec. 41. **WORLD WAR I PLAQUE AUTHORIZED.**

29.12 The state honors all Minnesota veterans who have honorably and bravely served in the  
 29.13 United States armed forces, both at home and abroad, during World War I. The commissioner  
 29.14 of administration shall place a memorial plaque in the court of honor on the Capitol grounds  
 29.15 to recognize the valiant service of Minnesota veterans who have honorably and bravely  
 29.16 served in the United States armed forces, both at home and abroad, during World War I.  
 29.17 This plaque will replace the current plaque honoring veterans who served abroad during  
 29.18 World War I. The Capitol Area Architectural and Planning Board shall solicit design  
 29.19 submissions from the public. Each design submission must include a commitment to furnish  
 29.20 the plaque. The Capitol Area Architectural and Planning Board shall select a design from  
 29.21 those submitted to use as a basis for final production. The selected design must be approved  
 29.22 by the commissioner of veterans affairs and must be furnished by the person or group who  
 29.23 submitted the design.

29.24 Sec. 42. **APPROPRIATION AND TRANSFERS; SECRETARY OF STATE.**

29.25 (a) \$1,534,000 is appropriated in fiscal year 2019 from the account established in  
 29.26 Minnesota Statutes, section 5.30, pursuant to the Help America Vote Act, to the secretary  
 29.27 of state for the purposes of modernizing, securing, and updating the statewide voter  
 29.28 registration system and for cyber security upgrades as authorized by federal law. This is a  
 29.29 onetime appropriation and is available until June 30, 2022.

29.30 (b) Of the \$207,000 transferred by the commissioner of revenue to the commissioner of  
 29.31 management and budget as provided in Minnesota Statutes, section 477A.03, subdivision  
 29.32 2b, paragraph (b), the commissioner of management and budget shall deposit \$150,000 in

30.1 fiscal year 2019 into the account established in Minnesota Statutes, section 5.30, for the  
30.2 purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410,  
30.3 and Section 101 of the Help America Vote Act of 2002, Public Law 107-252. This is a  
30.4 onetime transfer.

30.5 (c) \$110,000 expended by the secretary of state in fiscal year 2018 for increasing secure  
30.6 access to the statewide voter registration system was money appropriated for carrying out  
30.7 the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law  
30.8 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101, and  
30.9 is deemed to be credited towards any match required by those laws.

30.10 Sec. 43. **APPROPRIATION; DEPARTMENT OF HEALTH.**

30.11 \$33,000 is appropriated in fiscal year 2019 from the state government special revenue  
30.12 fund to the commissioner of health to perform a cost analysis on rules impacting residential  
30.13 construction or remodeling as specified in Minnesota Statutes, section 14.1275. This is a  
30.14 onetime appropriation.

30.15 Sec. 44. **REVISOR'S INSTRUCTION.**

30.16 (a) The revisor of statutes shall change "Office of MN.IT Services" to "Division of  
30.17 Information Technology" and change "commissioner of MN.IT Services" to "commissioner  
30.18 of administration" wherever these terms occur in Minnesota Statutes. The revisor of statutes  
30.19 shall change "the office" to "the division" throughout Minnesota Statutes, chapter 16E.

30.20 (b) The revisor of statutes shall recodify Minnesota Statutes, chapter 16E, in Minnesota  
30.21 Statutes, chapter 16B.

30.22 Sec. 45. **REPEALER.**

30.23 (a) Minnesota Statutes 2016, section 16E.145, is repealed.

30.24 (b) Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3, and 4, are repealed.

30.25 (c) Laws 2017, First Special Session chapter 4, article 2, section 59, is repealed.

30.26 **ARTICLE 2**

30.27 **ENERGY**

30.28 Section 1. **APPROPRIATIONS.**

30.29 The sums shown in the columns marked "Appropriations" are added to the appropriations  
30.30 in Laws 2017, chapter 94, or appropriated to the agencies and for the purposes specified in

31.1 this article. The appropriations are from the general fund, or another named fund, and are  
 31.2 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used  
 31.3 in this article mean that the addition to the appropriations listed under them are available  
 31.4 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is  
 31.5 fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018  
 31.6 are effective June 1, 2018.

31.7 **APPROPRIATIONS**  
 31.8 **Available for the Year**  
 31.9 **Ending June 30**  
 31.10 **2018** **2019**

31.11 **Sec. 2. DEPARTMENT OF COMMERCE**

31.12 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **2,150,000**

31.13 **Appropriations by Fund**

31.14 **2018** **2019**  
 31.15 **Special Revenue** **-0-** **2,150,000**

31.16 **Subd. 2. Energy Resources** **\$** **-0-** **\$** **2,150,000**

31.17 **Appropriations by Fund**

31.18 **2018** **2019**  
 31.19 **Special Revenue** **-0-** **2,150,000**

31.20 \$150,000 the second year is from the  
 31.21 renewable development account in the special  
 31.22 revenue fund established in Minnesota  
 31.23 Statutes, section 116C.779, subdivision 1, to  
 31.24 conduct an energy storage systems cost-benefit  
 31.25 analysis. This is a onetime appropriation.

31.26 Notwithstanding Minnesota Statutes, section  
 31.27 116C.779, subdivision 1, paragraph (j),  
 31.28 \$2,000,000 in fiscal year 2019 is from the  
 31.29 renewable development account under  
 31.30 Minnesota Statutes, section 116C.779, for the  
 31.31 solar energy grants for school districts under  
 31.32 Minnesota Statutes, section 216C.418. This is  
 31.33 a onetime appropriation and is available until  
 31.34 June 30, 2021. Any unexpended funds

32.1 remaining after June 30, 2021, cancel to the  
 32.2 renewable development account.

32.3 Sec. 3. Laws 2017, chapter 94, article 1, section 7, subdivision 7, is amended to read:

32.4	<b>Subd. 7. Energy Resources</b>	4,847,000	4,847,000
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32.5	Appropriations by Fund		
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32.6	General	4,247,000	4,247,000
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32.7	Special Revenue	600,000	600,000
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32.8 (a) \$150,000 each year is to remediate  
 32.9 vermiculate insulation from households that  
 32.10 are eligible for weatherization assistance under  
 32.11 Minnesota's weatherization assistance program  
 32.12 state plan under Minnesota Statutes, section  
 32.13 216C.264. Remediation must be done in  
 32.14 conjunction with federal weatherization  
 32.15 assistance program services.

32.16 (b) \$832,000 each year is for energy regulation  
 32.17 and planning unit staff.

32.18 (c) \$100,000 each year is from the renewable  
 32.19 development account in the special revenue  
 32.20 fund established in Minnesota Statutes, section  
 32.21 116C.779, subdivision 1, to administer the  
 32.22 "Made in Minnesota" solar energy production  
 32.23 incentive program in Minnesota Statutes,  
 32.24 section 216C.417. Any remaining unspent  
 32.25 funds cancel back to the renewable  
 32.26 development account at the end of the  
 32.27 biennium.

32.28 ~~(d) \$500,000 each year is from the renewable~~  
 32.29 ~~development account in the special revenue~~  
 32.30 ~~fund established in Minnesota Statutes, section~~  
 32.31 ~~116C.779, subdivision 1, for costs associated~~  
 32.32 ~~with any third-party expert evaluation of a~~  
 32.33 ~~proposal submitted in response to a request~~  
 32.34 ~~for proposal to the renewable development~~

33.1 ~~advisory group under Minnesota Statutes,~~  
 33.2 ~~section 116C.779, subdivision 1, paragraph~~  
 33.3 ~~(f). No portion of this appropriation may be~~  
 33.4 ~~expended or retained by the commissioner of~~  
 33.5 ~~commerce. Any funds appropriated under this~~  
 33.6 ~~paragraph that are unexpended at the end of a~~  
 33.7 ~~fiscal year cancel to the renewable~~  
 33.8 ~~development account.~~

### 33.9 ARTICLE 3

### 33.10 ENERGY POLICY

33.11 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is  
 33.12 amended to read:

33.13 Subdivision 1. **Renewable development account.** (a) The renewable development  
 33.14 account is established as a separate account in the special revenue fund in the state treasury.  
 33.15 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
 33.16 as interest, dividends, and any other earnings arising from assets of the account, shall be  
 33.17 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
 33.18 canceled to the general fund but remain in the account until expended. The account shall  
 33.19 be administered by the commissioner of management and budget as provided under this  
 33.20 section.

33.21 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
 33.22 plant must transfer all funds in the renewable development account previously established  
 33.23 under this subdivision and managed by the public utility to the renewable development  
 33.24 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
 33.25 that have not yet been expended and unencumbered funds required to be paid in calendar  
 33.26 year 2017 under paragraphs ~~(f)~~ (e) and ~~(g)~~ (f), and sections 116C.7792 and 216C.41, are  
 33.27 not subject to transfer under this paragraph.

33.28 (c) Except as provided in subdivision 1a, beginning January 15, ~~2018~~ 2022, and  
 33.29 continuing each January 15 thereafter, the public utility that owns the Prairie Island and  
 33.30 Monticello nuclear generating plant plants must transfer to the renewable development  
 33.31 account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the~~  
 33.32 Prairie Island power plant for \$16,000,000 each year the either plant is in operation, and  
 33.33 ~~\$7,500,000 each year the plant is not in operation,~~ if ordered by the commission pursuant  
 33.34 to paragraph ~~(f)~~ (h), \$7,500,000 each year the Prairie Island plant is not in operation and

34.1 \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be  
 34.2 made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility  
 34.3 at Prairie Island or Monticello for any part of a year.

34.4 ~~(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~  
 34.5 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~  
 34.6 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~  
 34.7 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~  
 34.8 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~  
 34.9 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~  
 34.10 ~~waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for~~  
 34.11 ~~any part of a year.~~

34.12 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the  
 34.13 renewable development account under ~~paragraphs~~ paragraph (c) and (d) the amount necessary  
 34.14 to pay its obligations under paragraphs (e), (f) and (g), (j), and (n), and sections 116C.7792  
 34.15 and 216C.41, for that calendar year.

34.16 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the  
 34.17 termination of a power purchase agreement, or the purchase and closure of a facility under  
 34.18 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
 34.19 the public utility subject to this section shall enter into a contract with the city in which the  
 34.20 poultry litter plant is located to provide grants to the city for the purposes of economic  
 34.21 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
 34.22 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
 34.23 by the public utility from funds withheld from the transfer to the renewable development  
 34.24 account, as provided in paragraphs (b) and ~~(e)~~ (d).

34.25 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the  
 34.26 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
 34.27 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
 34.28 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
 34.29 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
 34.30 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
 34.31 30 days after the commission approves the new or amended power purchase agreement, or  
 34.32 the termination of the power purchase agreement, and on each June 1 thereafter through  
 34.33 2021, to assist the transition required by the new, amended, or terminated power purchase  
 34.34 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
 34.35 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

35.1 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs  
35.2 ~~(f)~~ (e) and ~~(g)~~ (f) is limited to the amount deposited into the renewable development account,  
35.3 and its predecessor, the renewable development account, established under this section, that  
35.4 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,  
35.5 section 10.

35.6 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the  
35.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
35.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
35.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
35.10 facility for any year in which the commission finds, by the preponderance of the evidence,  
35.11 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored  
35.12 at the facility to a permanent or interim storage site out of the state. This determination shall  
35.13 be made at least every two years.

35.14 ~~(j)~~ (i) The utility shall file annually with the commission a petition for the recovery of  
35.15 all funds required to be transferred or withheld under paragraphs (c), (d), and (h), for the  
35.16 next year through a rider mechanism. The commission shall approve a reasonable cost  
35.17 recovery schedule for all such funds.

35.18 (j) On or before January 15 of each year, the utility shall file a petition with the  
35.19 commission setting forth the amounts withheld by the utility in the prior year under paragraph  
35.20 (d) and the amount actually paid in that year for obligations identified in paragraph (d). If  
35.21 the amount actually paid is less than the amount withheld, the utility shall deduct the surplus  
35.22 from the amount withheld for the current year under paragraph (d). If the amount actually  
35.23 paid is more than the amount withheld, the utility shall add the deficit to the amount withheld  
35.24 in the current year under paragraph (d). Any surplus at the end of all programs identified  
35.25 in paragraph (d) shall be returned to the customers of the utility.

35.26 (k) Funds in the account may be expended only for any of the following purposes:

35.27 (1) to stimulate research and development of renewable electric energy technologies;

35.28 (2) to encourage grid modernization, including, but not limited to, projects that implement  
35.29 electricity storage, load control, and smart meter technology; and

35.30 (3) to stimulate other innovative energy projects that reduce demand and increase system  
35.31 efficiency and flexibility.

36.1 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
 36.2 from the utility that owns a nuclear-powered electric generating plant in this state or the  
 36.3 Prairie Island Indian community or its members.

36.4 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
 36.5 subdivision.

36.6 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings  
 36.7 given:

36.8 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
 36.9 (c), clauses (1), (2), (4), and (5); and

36.10 (2) "grid modernization" means:

36.11 (i) enhancing the reliability of the electrical grid;

36.12 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
 36.13 and

36.14 (iii) increasing energy conservation opportunities by facilitating communication between  
 36.15 the utility and its customers through the use of two-way meters, control technologies, energy  
 36.16 storage and microgrids, technologies to enable demand response, and other innovative  
 36.17 technologies.

36.18 ~~(j)~~ (m) A renewable development account advisory group that includes, among others,  
 36.19 representatives of the public utility and its ratepayers, and includes at least one representative  
 36.20 of the Prairie Island Indian community appointed by that community's tribal council, shall  
 36.21 develop recommendations on account expenditures. Members of the advisory group shall  
 36.22 be chosen by the public utility unless another method of selection is provided under this  
 36.23 section. The advisory group must design a request for proposal and evaluate projects  
 36.24 submitted in response to a request for proposals. The advisory group must utilize an  
 36.25 independent third-party expert to evaluate proposals submitted in response to a request for  
 36.26 proposal, including all proposals made by the public utility. A request for proposal for  
 36.27 research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include  
 36.28 a request to higher education institutions located in Minnesota for multiple projects authorized  
 36.29 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision  
 36.30 that exempts the projects from the third-party expert review and instead provides for project  
 36.31 evaluation and selection by a merit peer review grant system. In the process of determining  
 36.32 request for proposal scope and subject and in evaluating responses to request for proposals,

37.1 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota  
37.2 citizens and businesses and the utility's ratepayers.

37.3 ~~(m)~~ (n) The cost of acquiring the services of the independent third-party expert described  
37.4 in paragraph (m) and any other costs incurred in administering the advisory group and its  
37.5 actions as required by this section shall be paid from funds withheld by the public utility  
37.6 under paragraph (d). The total withheld under this paragraph shall not exceed \$500,000 per  
37.7 year.

37.8 (o) The advisory group shall submit funding recommendations to the public utility,  
37.9 which has full and sole authority to determine which expenditures shall be submitted by  
37.10 the advisory group to the ~~legislature~~ commission. The commission may approve proposed  
37.11 expenditures, may disapprove proposed expenditures that it finds not to be in compliance  
37.12 with this subdivision or otherwise not in the public interest, and may, if agreed to by the  
37.13 public utility, modify proposed expenditures. The commission shall, by order, submit its  
37.14 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (m).

37.15 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account  
37.16 to the senate and house of representatives committees with jurisdiction over energy policy  
37.17 and finance annually by February 15. Expenditures from the account must be appropriated  
37.18 by law. In enacting appropriations from the account, the legislature:

37.19 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
37.20 a project recommended by the commission; and

37.21 (2) may not appropriate money for a project the commission has not recommended  
37.22 funding.

37.23 ~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when  
37.24 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
37.25 energy source.

37.26 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking  
37.27 minority members of the legislative committees with jurisdiction over energy policy on:  
37.28 (1) projects funded by the account for the prior year and all previous years; (2) cost of  
37.29 acquiring the services of an independent third-party expert described in paragraph (n); and  
37.30 (3) any other administrative costs incurred by the utility in administering the advisory group.  
37.31 The report must, to the extent possible and reasonable, itemize the actual and projected  
37.32 financial benefit to the public utility's ratepayers of each project.

38.1 ~~(q)~~ (s) By February 1, 2018, and each February 1 thereafter, the commissioner of  
 38.2 management and budget shall submit a written report regarding the availability of funds in  
 38.3 and obligations of the account to the chairs and ranking minority members of the senate  
 38.4 and house committees with jurisdiction over energy policy and finance, the public utility,  
 38.5 and the advisory group.

38.6 ~~(r)~~ (t) A project receiving funds from the account must produce a written final report  
 38.7 that includes sufficient detail for technical readers and a clearly written summary for  
 38.8 nontechnical readers. The report must include an evaluation of the project's financial,  
 38.9 environmental, and other benefits to the state and the public utility's ratepayers.

38.10 ~~(s)~~ (u) Final reports, any mid-project status reports, and renewable development account  
 38.11 financial reports must be posted online on a public Web site designated by the commissioner  
 38.12 of commerce.

38.13 ~~(t)~~ (v) All final reports must acknowledge that the project was made possible in whole  
 38.14 or part by the Minnesota renewable development account, noting that the account is financed  
 38.15 by the public utility's ratepayers.

38.16 ~~(u)~~ (w) Of the amount in the renewable development account, priority must be given to  
 38.17 making the payments required under section 216C.417.

38.18 **EFFECTIVE DATE.** This section is effective June 1, 2018, except the amendments to  
 38.19 paragraphs (c) and (d) are effective January 16, 2021.

38.20 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

38.21 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

38.22 The utility subject to section 116C.779 shall operate a program to provide solar energy  
 38.23 production incentives for solar energy systems of no more than a total nameplate capacity  
 38.24 of ~~20~~ 40 kilowatts direct current or less. The program shall be operated for eight consecutive  
 38.25 calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four  
 38.26 years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and  
 38.27 \$5,000,000 in the eighth year from funds withheld from transfer to the renewable  
 38.28 development account under section 116C.779, subdivision 1, ~~paragraphs (b) and (c)~~ paragraph  
 38.29 (d), and placed in a separate account for the purpose of the solar production incentive  
 38.30 program operated by the utility and not for any other program or purpose. Any unspent  
 38.31 amount allocated in the fifth year is available until December 31 of the sixth year. Beginning  
 38.32 with the allocation in the sixth year and thereafter, any unspent amount remaining at the  
 38.33 end of an allocation year must be transferred to the renewable development account.

39.1 Applications submitted in the fifth year may be amended without reapplication for that  
 39.2 portion of a project over a nameplate capacity of 20 kilowatts. The solar system must be  
 39.3 sized to less than 120 percent of the customer's on-site annual energy consumption when  
 39.4 combined with other distributed generation resources and subscriptions provided under  
 39.5 section 216B.1641 associated with the premise. The production incentive must be paid for  
 39.6 ten years commencing with the commissioning of the system. The utility must file a plan  
 39.7 to operate the program with the commissioner of commerce. The utility may not operate  
 39.8 the program until it is approved by the commissioner. A change to the program to include  
 39.9 projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file  
 39.10 a plan with the commissioner. Any plan approved by the commissioner of commerce must  
 39.11 not provide an increased incentive scale over prior years unless the commissioner  
 39.12 demonstrates that changes in the market for solar energy facilities require an increase.

39.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

39.14 Sec. 3. **[116C.7793] BIOMASS BUSINESS COMPENSATION.**

39.15 Subdivision 1. **Office of Administrative Hearings; claims process.** The chief  
 39.16 administrative law judge of the Office of Administrative Hearings must name an  
 39.17 administrative law judge to administer a claims award process to compensate businesses  
 39.18 negatively affected by the sale and closure of the biomass plant identified under section  
 39.19 116C.779, subdivision 1, paragraph (e). The administrative law judge may create a process,  
 39.20 including creation of forms, to consider claims for affected businesses and issue awards to  
 39.21 eligible businesses. A form developed for the process must, at a minimum, require the name  
 39.22 of the business, the business address and telephone number, and the name of a contact  
 39.23 person.

39.24 Subd. 2. **Eligibility.** To be eligible for compensation, an affected business must verify  
 39.25 that as of May 1, 2017, it was operating under the terms of a valid contract or provide other  
 39.26 documentation demonstrating an ongoing business relationship of preparing, supplying, or  
 39.27 transporting products, fuel, or by-products to or from either the company operating the  
 39.28 biomass plant identified under section 116C.779, subdivision 1, paragraph (e), or a fertilizer  
 39.29 plant integrated with the biomass plant identified under section 116C.779, subdivision 1,  
 39.30 paragraph (e).

39.31 Subd. 3. **Calculation of award.** (a) An eligible business shall make any claim for  
 39.32 compensation with the administrative law judge in accordance with this section.

39.33 (b) A claim for compensation by an eligible business shall:

40.1 (1) demonstrate the extent of its lost business opportunity by providing copies of any  
40.2 contracts or other documentation under subdivision 2, including financial statements showing  
40.3 company financial performance over the past five years for supplying or managing material  
40.4 for, or receiving material from, the biomass plant identified under section 116C.779,  
40.5 subdivision 1, paragraph (e);

40.6 (2) report any payment received from business interruption insurance policies or other  
40.7 payments, settlements, or awards received as a result of termination of an agreement resulting  
40.8 from the closure of the biomass plant identified under section 116C.779, subdivision 1,  
40.9 paragraph (e), the payment of which would offset compensation provided under this section.  
40.10 A business seeking compensation must also provide a valuation of the sales, salvage, or  
40.11 scrap value of real or personal property associated with the business if there is no alternative  
40.12 use available for the company's real and personal property;

40.13 (3) provide information documenting its stranded investment in personal property  
40.14 essential to the business operation but for which there is no valuable alternative use in the  
40.15 marketplace. Such stranded investment may be included in the calculation of compensable  
40.16 loss for purposes of seeking compensation under this section; and

40.17 (4) provide any other documentation it deems appropriate, or as required by the  
40.18 administrative law judge, to support its claim for compensation, including a narrative  
40.19 regarding the facts of the business claim that gives rise to the request for compensation.

40.20 (c) Section 13.591 applies to data submitted by a business requesting compensation  
40.21 under this section.

40.22 Subd. 4. **Priority.** The administrative law judge may give priority to claims by eligible  
40.23 businesses that demonstrate a significant effort to:

40.24 (1) mitigate losses resulting from the closure of the biomass plant identified under section  
40.25 116C.779, subdivision 1, paragraph (e); or

40.26 (2) repurpose the business for another use through retasking and retooling.

40.27 Whether the business is requesting compensation for a total business loss without mitigation  
40.28 efforts shall also be a factor in determining awards.

40.29 Subd. 5. **Amount of claim.** Any claim is limited by and proportional to the amount  
40.30 provided for compensation in the biomass business compensation fund established under  
40.31 section 116C.7794, and the number of claimants. A request for compensation must not  
40.32 exceed the average of the annual net revenue generated from a contract or business  
40.33 relationship with the biomass plant identified under section 116C.779, subdivision 1,

41.1 paragraph (e), or a fertilizer plant integrated with the biomass plant identified under section  
41.2 116C.779, subdivision 1, paragraph (e), for the past five years times ten or times the number  
41.3 of years remaining on the biomass plant's original power purchase agreement, whichever  
41.4 is less.

41.5 Subd. 6. **Deadlines.** The administrative law judge shall make an application process for  
41.6 compensation available by August 1, 2018. A business seeking to submit a request for  
41.7 compensation under this section must file claims with the administrative law judge within  
41.8 60 days following closure of the biomass plant. The administrative law judge shall issue  
41.9 orders on award determinations within 180 days after the deadline for filing claims.

41.10 Subd. 7. **Appeals.** Orders issued by the administrative law judge under this section are  
41.11 final. An order denying compensation claimed under this section is subject to the contested  
41.12 case review procedures under chapter 14.

41.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

41.14 Sec. 4. **[116C.7794] BIOMASS BUSINESS COMPENSATION ACCOUNT.**

41.15 Subdivision 1. **Account established.** A biomass business compensation account is  
41.16 established as a separate account in the special revenue fund in the state treasury.  
41.17 Appropriations and transfers to the account must be credited to the account. Earnings, such  
41.18 as interest, and any other earnings arising from the assets of the account are credited to the  
41.19 account. Funds remaining in the account as of December 31, 2020, must be transferred to  
41.20 the renewable development account established under section 116C.779.

41.21 Subd. 2. **Funding for the special account.** On July 1, 2019, \$40,000,000 must be  
41.22 transferred from the renewable development account under section 116C.779 to the biomass  
41.23 business compensation account established under subdivision 1. The transferred funds are  
41.24 appropriated for payment of eligible obligations under the biomass business compensation  
41.25 program established in section 116C.7793.

41.26 Subd. 3. **Repayment of funds transferred from the renewable development account.**  
41.27 The public utility subject to section 116C.779 shall petition the commission to approve a  
41.28 rate schedule that provides for the automatic adjustment of charges to recover payments  
41.29 awarded under a process provided for in section 116C.7793. The commission shall approve  
41.30 the rate schedule upon a showing that the recovery of investments, expenses and costs, and  
41.31 earnings on the investments continues to be less than the costs that would have been  
41.32 recovered from customers had the utility continued to purchase energy under the power  
41.33 purchase agreement under section 216B.2424, in effect before May 1, 2017. Beginning July

42.1 1, 2019, and continuing annually thereafter, the public utility subject to section 116C.779  
 42.2 shall deposit an amount, not to exceed \$20,000,000 annually, into the renewable development  
 42.3 account under section 116C.779, until total contributions equal the total compensation  
 42.4 amount identified in subdivision 2.

42.5 Subd. 4. **Payment of expenses.** The chief administrative law judge shall certify to the  
 42.6 commissioner of management and budget the total costs incurred for administering the  
 42.7 biomass business compensation claims process during each fiscal year, in an amount less  
 42.8 than or equal to \$200,000. The commissioner of management and budget shall transfer the  
 42.9 amount of certified costs incurred for these activities from the renewable development  
 42.10 account under section 116C.779 and deposit it to the administrative hearings account under  
 42.11 section 14.54. Transfers may occur quarterly, based on quarterly cost and revenue reports,  
 42.12 throughout the fiscal year, with final certification and reconciliation after each fiscal year.

42.13 Subd. 5. **Expiration.** This section expires the day following the final deposit to the  
 42.14 renewable development account under section 116C.779, as required in subdivision 3.

42.15 **EFFECTIVE DATE.** This section is effective June 1, 2018.

42.16 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to  
 42.17 read:

42.18 Subd. 13b. **Pension rate base.** The commission must allow a public utility to include  
 42.19 in the rate base and recover from ratepayers the costs incurred to contribute to employee  
 42.20 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,  
 42.21 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006  
 42.22 and other applicable federal and state pension funding requirements. A public utility is  
 42.23 authorized to track for future recovery any unrecoverable return of pension rate base costs  
 42.24 and investments at the return on investment level established in the public utility's last  
 42.25 general rate case that have been incurred during the period between general rate cases.

42.26 Sec. 6. Minnesota Statutes 2016, section 216B.1641, is amended to read:

42.27 **216B.1641 COMMUNITY SOLAR GARDEN.**

42.28 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a  
 42.29 plan with the commission to operate a community solar garden program which shall begin  
 42.30 operations within 90 days after commission approval of the plan. Other public utilities may  
 42.31 file an application at their election. The community solar garden program must be designed  
 42.32 to offset the energy use of not less than five subscribers in each community solar garden

43.1 facility of which no single subscriber has more than a 40 percent interest. The owner of the  
 43.2 community solar garden may be a public utility or any other entity or organization that  
 43.3 contracts to sell the output from the community solar garden to the utility under section  
 43.4 216B.164. There shall be no limitation on the number or cumulative generating capacity of  
 43.5 community solar garden facilities other than the limitations imposed under section 216B.164,  
 43.6 subdivision 4c, or other limitations provided in law or regulations.

43.7 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
 43.8 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
 43.9 electricity generated in proportion to the size of their subscription. The solar garden must  
 43.10 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
 43.11 to represent at least 200 watts of the community solar garden's generating capacity and to  
 43.12 supply, when combined with other distributed generation resources serving the premises,  
 43.13 no more than 120 percent of the average annual consumption of electricity by each subscriber  
 43.14 at the premises to which the subscription is attributed.

43.15 (c) The solar generation facility must be located in the service territory of the public  
 43.16 utility filing the plan. Subscribers must be retail customers of the public utility and must be  
 43.17 located in the same county or a county contiguous to where the facility is located, unless  
 43.18 the facility has a minimum setback of 100 feet from the nearest residential property not on  
 43.19 the same parcel.

43.20 (d) The public utility must purchase from the community solar garden all energy generated  
 43.21 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
 43.22 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
 43.23 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
 43.24 either section 116C.7792 or ~~section~~ 216C.415. A subscriber's portion of the purchase shall  
 43.25 be provided by a credit on the subscriber's bill.

43.26 (e) The commission may approve, disapprove, or modify a community solar garden  
 43.27 program. Any plan approved by the commission must:

43.28 (1) reasonably allow for the creation, financing, and accessibility of community solar  
 43.29 gardens;

43.30 (2) establish uniform standards, fees, and processes for the interconnection of community  
 43.31 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
 43.32 each community solar garden;

43.33 (3) not apply different requirements to utility and nonutility community solar garden  
 43.34 facilities;

- 44.1 (4) be consistent with the public interest;
- 44.2 (5) identify the information that must be provided to potential subscribers to ensure fair  
44.3 disclosure of future costs and benefits of subscriptions;
- 44.4 (6) include a program implementation schedule;
- 44.5 (7) identify all proposed rules, fees, and charges; and
- 44.6 (8) identify the means by which the program will be promoted.
- 44.7 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a  
44.8 community solar garden facility shall be considered a utility solely as a result of their  
44.9 participation in the community solar garden facility.
- 44.10 (g) Within 180 days of commission approval of a plan under this section, a utility shall  
44.11 begin crediting subscriber accounts for each community solar garden facility in its service  
44.12 territory, and shall file with the commissioner of commerce a description of its crediting  
44.13 system.
- 44.14 (h) For the purposes of this section, the following terms have the meanings given:
- 44.15 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions  
44.16 of a community solar garden facility interconnected with that utility; and
- 44.17 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.
- 44.18 Sec. 7. Minnesota Statutes 2016, section 216B.1645, is amended by adding a subdivision  
44.19 to read:
- 44.20 Subd. 2b. **Energy storage system pilot projects.** (a) A public utility may petition the  
44.21 commission as provided in subdivision 2a to recover costs associated with the implementation  
44.22 of an energy storage system pilot project, provided the following conditions are met:
- 44.23 (1) the public utility has submitted a report to the commission containing, at a minimum,  
44.24 the following information regarding the proposed energy storage system pilot project:
- 44.25 (i) the storage technology utilized;
- 44.26 (ii) the energy storage capacity and the duration of output at that capacity;
- 44.27 (iii) the proposed location;
- 44.28 (iv) the purchasing and installation costs;
- 44.29 (v) how the project will interact with existing distributed generation resources on the  
44.30 utility's grid; and

45.1 (vi) the goals the project proposes to achieve, including controlling frequency or voltage,  
 45.2 mitigating transmission congestion, providing emergency power supplies during outages,  
 45.3 reducing curtailment of existing renewable energy generators, and reducing peak power  
 45.4 costs;

45.5 (2) the utility has adequately responded to any commission requests for additional  
 45.6 information regarding the energy storage system pilot project; and

45.7 (3) the commission has determined that the energy storage system pilot project is in the  
 45.8 public interest.

45.9 (b) The commission may modify a proposed energy storage system pilot project the  
 45.10 commission approves for rate recovery.

45.11 (c) For the purposes of this subdivision:

45.12 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision  
 45.13 1, paragraph (f); and

45.14 (2) "pilot project" means a project deployed at a limited number of locations in order to  
 45.15 assess the technical and economic effectiveness of its operations.

45.16 Sec. 8. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended  
 45.17 to read:

45.18 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a  
 45.19 and 2b, each public utility shall generate or procure sufficient electricity generated by solar  
 45.20 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at  
 45.21 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is  
 45.22 generated by solar energy.

45.23 (b) For a public utility with more than 200,000 retail electric customers, at least ten  
 45.24 percent of the 1.5 percent goal must be met by solar energy generated by or procured from  
 45.25 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

45.26 (c) A public utility with between 50,000 and 200,000 retail electric customers:

45.27 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by  
 45.28 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or  
 45.29 less; and

45.30 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions  
 45.31 of 40 kilowatts or less to a community solar garden program operated by the public utility  
 45.32 that has been approved by the commission.

46.1 (d) The solar energy standard established in this subdivision is subject to all the provisions  
46.2 of this section governing a utility's standard obligation under subdivision 2a.

46.3 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail  
46.4 electric sales in Minnesota be generated by solar energy.

46.5 (f) For the purposes of calculating the total retail electric sales of a public utility under  
46.6 this subdivision, there shall be excluded retail electric sales to customers that are:

46.7 (1) an iron mining extraction and processing facility, including a scam mining facility  
46.8 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

46.9 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board  
46.10 manufacturer.

46.11 Those customers may not have included in the rates charged to them by the public utility  
46.12 any costs of satisfying the solar standard specified by this subdivision.

46.13 (g) A public utility may not use energy used to satisfy the solar energy standard under  
46.14 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
46.15 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
46.16 solar standard under this subdivision.

46.17 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated  
46.18 with a solar photovoltaic device installed and generating electricity in Minnesota after  
46.19 August 1, 2013, but before 2020 may be used to meet the solar energy standard established  
46.20 under this subdivision.

46.21 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file  
46.22 a report with the commission reporting its progress in achieving the solar energy standard  
46.23 established under this subdivision.

46.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

46.25 Sec. 9. Minnesota Statutes 2017 Supplement, section 216B.241, subdivision 1d, is amended  
46.26 to read:

46.27 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation  
46.28 improvement programs on the basis of cost-effectiveness and the reliability of the  
46.29 technologies employed. The commissioner shall, by order, establish, maintain, and update  
46.30 energy-savings assumptions that must be used when filing energy conservation improvement  
46.31 programs. The commissioner shall establish an inventory of the most effective energy  
46.32 conservation programs, techniques, and technologies, and encourage all Minnesota utilities

47.1 to implement them, where appropriate, in their service territories. The commissioner shall  
 47.2 describe these programs in sufficient detail to provide a utility reasonable guidance  
 47.3 concerning implementation. The commissioner shall prioritize the opportunities in order of  
 47.4 potential energy savings and in order of cost-effectiveness. The commissioner may contract  
 47.5 with a third party to carry out any of the commissioner's duties under this subdivision, and  
 47.6 to obtain technical assistance to evaluate the effectiveness of any conservation improvement  
 47.7 program. The commissioner may assess up to \$850,000 annually for the purposes of this  
 47.8 subdivision. The assessments must be deposited in the state treasury and credited to the  
 47.9 energy and conservation account created under subdivision 2a. An assessment made under  
 47.10 this subdivision is not subject to the cap on assessments provided by section 216B.62, or  
 47.11 any other law.

47.12 (b) Of the assessment authorized under paragraph (a), the commissioner may expend  
 47.13 ~~up to \$400,000 annually~~ \$800,000 each biennium for the purpose of developing, operating,  
 47.14 maintaining, and providing technical support for a uniform electronic data reporting and  
 47.15 tracking system available to all utilities subject to this section, in order to enable accurate  
 47.16 measurement of the cost and energy savings of the energy conservation improvements  
 47.17 required by this section. This paragraph expires June 30, ~~2018~~ 2022.

47.18 (c) The commissioner must establish a utility stakeholder group to direct development  
 47.19 and maintenance of the tracking system available to all utilities. The utility stakeholder  
 47.20 group will direct 50 percent of the biennium expenditures. The utility stakeholder group  
 47.21 shall include, but is not limited to, stakeholders representative of the Minnesota Rural  
 47.22 Electric Association, the Minnesota Municipal Utility Association, investor-owned utilities,  
 47.23 municipal power agencies, energy conservation organizations, and businesses that work in  
 47.24 energy efficiency. One of the stakeholder members must serve as chair. The utility  
 47.25 stakeholder group must develop and submit its work plan to the commissioner. The utility  
 47.26 stakeholder group shall study alternative tracking system options, which shall be submitted  
 47.27 with the work plan to the commissioner by January 15, 2020. The utility stakeholder group  
 47.28 must meet regularly at the call of the chair. Meetings of the utility stakeholder group are  
 47.29 subject to chapter 13D.

47.30 Sec. 10. Minnesota Statutes 2016, section 216B.2422, subdivision 1, is amended to read:

47.31 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this  
 47.32 subdivision have the meanings given them.

48.1 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more  
48.2 of electric power and serving, either directly or indirectly, the needs of 10,000 retail  
48.3 customers in Minnesota. Utility does not include federal power agencies.

48.4 (c) "Renewable energy" means electricity generated through use of any of the following  
48.5 resources:

48.6 (1) wind;

48.7 (2) solar;

48.8 (3) geothermal;

48.9 (4) hydro;

48.10 (5) trees or other vegetation;

48.11 (6) landfill gas; or

48.12 (7) predominantly organic components of wastewater effluent, sludge, or related  
48.13 by-products from publicly owned treatment works, but not including incineration of  
48.14 wastewater sludge.

48.15 (d) "Resource plan" means a set of resource options that a utility could use to meet the  
48.16 service needs of its customers over a forecast period, including an explanation of the supply  
48.17 and demand circumstances under which, and the extent to which, each resource option  
48.18 would be used to meet those service needs. These resource options include using,  
48.19 refurbishing, and constructing utility plant and equipment, buying power generated by other  
48.20 entities, controlling customer loads, and implementing customer energy conservation.

48.21 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating  
48.22 resource of 30 megawatts or greater.

48.23 (f) "Energy storage system" means commercially available technology capable of  
48.24 absorbing and storing energy, and delivering stored energy for use at a later time. For  
48.25 purposes of this section, energy storage systems must be from a stationary source. For  
48.26 purposes of this section:

48.27 (1) an energy storage system may be:

48.28 (i) either centralized or distributed; or

48.29 (ii) owned by a load-serving entity or local publicly owned electric utility, a customer  
48.30 of a load-serving entity or local publicly owned electric utility, a third party, or jointly owned  
48.31 by two or more of the entities under this item or any other entity;

49.1 (2) an energy storage system must:

49.2 (i) reduce demand for peak electrical generation;

49.3 (ii) defer or substitute for an investment in generation, transmission, or distribution  
49.4 assets; or

49.5 (iii) improve the reliable operation of the electrical transmission or distribution grid;  
49.6 and

49.7 (3) an energy storage system must:

49.8 (i) use mechanical, chemical, or thermal processes to store energy that was generated  
49.9 at one time for use at a later time;

49.10 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner  
49.11 that reduces the demand for electricity at that later time;

49.12 (iii) use mechanical, chemical, or thermal processes to store energy generated from  
49.13 renewable resources for use at a later time; or

49.14 (iv) use mechanical, chemical, or thermal processes to store energy generated from  
49.15 mechanical processes that would otherwise be wasted for delivery at a later time.

49.16 (g) "Investor-owned utility" means a utility, as defined in paragraph (b), that is owned  
49.17 by private persons.

49.18 Sec. 11. Minnesota Statutes 2016, section 216B.2422, is amended by adding a subdivision  
49.19 to read:

49.20 Subd. 7. **Energy storage systems assessment.** (a) Each investor-owned utility must  
49.21 include as part of an integrated resource plan or plan modification filed by the investor-owned  
49.22 utility an assessment of energy storage systems. The assessment must:

49.23 (1) consider energy storage systems as both transmission and distribution-interconnected  
49.24 resources;

49.25 (2) analyze energy storage systems both as an alternative for and as an adjunct to  
49.26 generation resources for ancillary services and resource adequacy; and

49.27 (3) require that in any prudence determination for a new resource acquisition that resource  
49.28 options analysis must include a storage alternative.

49.29 (b) In approving a resource plan, the commission must determine, with respect to the  
49.30 assessment required in paragraph (a), whether:

50.1 (1) the utility's forecast requirements are based on substantially accurate data and an  
 50.2 adequate forecasting method;

50.3 (2) the plan identifies and takes into account any present and projected reductions in  
 50.4 energy demand that may result from measures to improve energy efficiency in the industrial,  
 50.5 commercial, residential, and energy-producing sectors of the area being served; and

50.6 (3) the plan includes appropriate and up-to-date methods for modeling resources,  
 50.7 including the modeling and valuing of flexible operations.

50.8 Sec. 12. Minnesota Statutes 2017 Supplement, section 216B.62, subdivision 3b, is amended  
 50.9 to read:

50.10 Subd. 3b. **Assessment for department regional and national duties.** In addition to  
 50.11 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal  
 50.12 year for performing its duties under section 216A.07, subdivision 3a. The amount in this  
 50.13 subdivision shall be assessed to energy utilities in proportion to their respective gross  
 50.14 operating revenues from retail sales of gas or electric service within the state during the last  
 50.15 calendar year and shall be deposited into an account in the special revenue fund and is  
 50.16 appropriated to the commissioner of commerce for the purposes of section 216A.07,  
 50.17 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
 50.18 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
 50.19 an "energy utility" means public utilities, generation and transmission cooperative electric  
 50.20 associations, and municipal power agencies providing natural gas or electric service in the  
 50.21 state. This subdivision expires June 30, ~~2018~~ 2019.

50.22 Sec. 13. [216C.418] SOLAR ENERGY GRANTS FOR SCHOOL DISTRICTS.

50.23 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
 50.24 the meanings given them.

50.25 (b) "Energy storage system" means a commercially available technology capable of (1)  
 50.26 absorbing and storing electrical energy, and (2) dispatching stored electrical energy at a  
 50.27 later time.

50.28 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

50.29 (d) "School district" means an independent or special school district.

50.30 (e) "Solar energy system" means photovoltaic devices installed alone or in conjunction  
 50.31 with a solar thermal system or an energy storage system.

51.1 (f) "Solar thermal system" means a flat plate or evacuated tube with a fixed orientation  
51.2 that collects the sun's radiant energy and transfers it to a storage medium for distribution as  
51.3 energy to heat or cool air or water.

51.4 Subd. 2. **Establishment.** A grant program is established under the Department of  
51.5 Commerce to award grants to school districts to fund the design, purchase, and installation  
51.6 of solar energy systems on school district buildings.

51.7 Subd. 3. **Eligible applicants.** In order to be eligible to receive a grant under this section,  
51.8 a school district must obtain electric service from the public utility that owns a nuclear  
51.9 electric generating facility in Minnesota.

51.10 Subd. 4. **Eligible expenditures.** (a) Grants awarded to a school district under this section:

51.11 (1) may be used to pay up to 95 percent of the cost of designing, engineering, purchasing,  
51.12 and installing a solar energy system;

51.13 (2) must be used to fund a solar energy system whose capacity matches the electric load  
51.14 of the school district building using the electricity generated, but must not exceed 300  
51.15 kilowatts; and

51.16 (3) must be used to fund a solar energy system placed on, adjacent to, or in proximity  
51.17 to the school district building using the electricity generated.

51.18 (b) A school district that receives a rebate or other financial incentive for a solar energy  
51.19 system under section 116C.7792, or from any utility is not eligible to receive a grant under  
51.20 this section for the same solar energy system.

51.21 Subd. 5. **Application process.** A school district must submit an application to the  
51.22 commissioner on a form prescribed by the commissioner. The commissioner must develop  
51.23 administrative procedures governing the application and grant award process, and must  
51.24 award grants on a first-come, first-served basis.

51.25 Subd. 6. **Geographical distribution of grants.** The commissioner must endeavor to  
51.26 award grants under this section to school districts located throughout the electric service  
51.27 territory of the public utility that owns a nuclear electric generating facility in Minnesota.

51.28 Subd. 7. **Other funds.** A school district may issue debt under section 123B.62 to provide  
51.29 its share of the costs for a solar energy system receiving a grant under this section.

51.30 **EFFECTIVE DATE.** This section is effective June 1, 2018.

52.1 Sec. 14. Minnesota Statutes 2016, section 216D.03, is amended by adding a subdivision  
52.2 to read:

52.3 Subd. 5. **Contact information database.** The notification center must create a database  
52.4 to collect, maintain, and continually update the contact information for each operator in  
52.5 Minnesota. Each operator must furnish the notification center with the operator's telephone  
52.6 number for 24 hours per day and seven days per week response related to each underground  
52.7 facility excavation. The information contained in the database must be made available to  
52.8 an excavator upon request to facilitate damage response or damage prevention related to  
52.9 an excavation.

52.10 Sec. 15. **COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

52.11 (a) The commissioner of commerce must contract with an independent consultant selected  
52.12 through a request for proposal process to produce a report analyzing the potential costs and  
52.13 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,  
52.14 subdivision 1, in Minnesota. In examining the cost-effectiveness of energy storage systems,  
52.15 the study must analyze:

52.16 (1) cost savings to ratepayers from the provision of services, including but not limited  
52.17 to energy price arbitrage, ancillary services, resource adequacy, and transmission and  
52.18 distribution asset deferral or substitution;

52.19 (2) direct-cost savings to customers that deploy energy storage systems;

52.20 (3) an improved ability to integrate renewable resources;

52.21 (4) improved reliability and power quality;

52.22 (5) the effect on retail electric rates over the useful life of a given energy storage system  
52.23 compared to the impact on retail electric rates using a nonenergy storage system alternative  
52.24 over the useful life of the nonenergy storage system alternative;

52.25 (6) reduced greenhouse gas emissions; and

52.26 (7) any other value reasonably related to the application of energy storage system  
52.27 technology.

52.28 (b) By April 1, 2019, the commissioner of commerce shall submit the study to the chairs  
52.29 and ranking minority members of the legislative committees with jurisdiction over energy  
52.30 policy and finance.

53.1

**ARTICLE 4**

53.2

**JOBS AND ECONOMIC GROWTH**

53.3

Section 1. **APPROPRIATIONS.**

53.4

The sums shown in the columns marked "Appropriations" are added to the appropriations

53.5

in Laws 2017, chapter 94, or appropriated to the agencies and for the purposes specified in

53.6

this article. The appropriations are from the general fund, or another named fund, and are

53.7

available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used

53.8

in this article mean that the addition to the appropriations listed under them are available

53.9

for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is

53.10

fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018

53.11

are effective June 1, 2018.

53.12

**APPROPRIATIONS**

53.13

**Available for the Year**

53.14

**Ending June 30**

53.15

**2018**

**2019**

53.16

Sec. 2. **DEPARTMENT OF EMPLOYMENT**

53.17

**AND ECONOMIC DEVELOPMENT**

53.18

**Subdivision 1. Total Appropriation**

**\$**

**-0-**

**\$**

**17,025,000**

53.19

The amounts that may be spent for each

53.20

purpose are specified in the following

53.21

subdivisions.

53.22

**Appropriations by Fund**

53.23

**2018**

**2019**

53.24

**General**

**-0-**

**17,000,000**

53.25

**Workforce**

53.26

**Development**

**-0-**

**25,000**

53.27

**Subd. 2. Business and Community Development**

**-0-**

**2,000,000**

53.28

\$2,000,000 in fiscal year 2019 is for the

53.29

redevelopment grant and demolition loan

53.30

programs under Minnesota Statutes, sections

53.31

116J.571 to 116J.5764. This is a onetime

53.32

appropriation.

54.1	<b><u>Subd. 3. Broadband Development</u></b>	<u>-0-</u>	<u>15,000,000</u>
54.2	<u>\$15,000,000 in fiscal year 2019 is for deposit</u>		
54.3	<u>in the border-to-border broadband fund</u>		
54.4	<u>account in the special revenue fund established</u>		
54.5	<u>under Minnesota Statutes, section 116J.396.</u>		
54.6	<u>This is a onetime appropriation. In awarding</u>		
54.7	<u>grants, the commissioner must give priority</u>		
54.8	<u>to projects that include broadband providers</u>		
54.9	<u>who commit to adhere to net neutrality</u>		
54.10	<u>principles.</u>		
54.11	<b><u>Subd. 4. Workforce Development</u></b>	<u>-0-</u>	<u>25,000</u>
54.12	<u>\$25,000 in fiscal year 2019 is from the</u>		
54.13	<u>workforce development fund for a grant to the</u>		
54.14	<u>Cook County Higher Education Board to</u>		
54.15	<u>provide educational programming and</u>		
54.16	<u>academic support services to remote regions</u>		
54.17	<u>in northeastern Minnesota. This is a onetime</u>		
54.18	<u>appropriation and is in addition to other funds</u>		
54.19	<u>previously appropriated to the board.</u>		

54.20	<b><u>Sec. 3. WORKERS' COMPENSATION COURT</u></b>		
54.21	<b><u>OF APPEALS</u></b>	<u>\$</u>	<u>0 \$</u>
			<u>33,000</u>
54.22	<u>This appropriation is from the workers'</u>		
54.23	<u>compensation fund.</u>		

## ARTICLE 5

### ECONOMIC DEVELOPMENT POLICY

54.26 Section 1. Minnesota Statutes 2016, section 116J.8747, subdivision 2, is amended to read:

54.27 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a  
54.28 job training program must satisfy the following requirements:

54.29 (1) the program must be operated by a nonprofit corporation that qualifies under section  
54.30 501(c)(3) of the Internal Revenue Code;

54.31 (2) the program must spend, on average, \$15,000 or more per graduate of the program;

54.32 (3) the program must provide education and training in:

- 55.1 (i) basic skills, such as reading, writing, mathematics, and communications;
- 55.2 (ii) thinking skills, such as reasoning, creative thinking, decision making, and problem  
55.3 solving; and
- 55.4 (iii) personal qualities, such as responsibility, self-esteem, self-management, honesty,  
55.5 and integrity;
- 55.6 (4) the program may provide income supplements, when needed, to participants for  
55.7 housing, counseling, tuition, and other basic needs;
- 55.8 ~~(5) the program's education and training course must last for an average of at least six~~  
55.9 ~~months;~~
- 55.10 ~~(6)~~ individuals served by the program must:
- 55.11 ~~(i)~~ be 18 years of age or older; as of the date of enrollment, and
- 55.12 ~~(ii)~~ have federal adjusted gross household income of no more than \$12,000 per year in  
55.13 the calendar year immediately before entering the program that is 100 percent or less of the  
55.14 federal poverty guideline for Minnesota, based on family size; and
- 55.15 ~~(iii)~~ have assets of no more than \$10,000, excluding the value of a homestead; and
- 55.16 ~~(iv)~~ not have been claimed as a dependent on the federal tax return of another person in  
55.17 the previous taxable year; and
- 55.18 ~~(7)~~ (6) the program must be certified by the commissioner of employment and economic  
55.19 development as meeting the requirements of this subdivision.
- 55.20 Sec. 2. Minnesota Statutes 2016, section 116J.8747, subdivision 4, is amended to read:
- 55.21 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under  
55.22 subdivision 2 must comply with the requirements of this subdivision.
- 55.23 (b) A program must maintain records for each qualified graduate. The records must  
55.24 include information sufficient to verify the graduate's eligibility under this section, identify  
55.25 the employer, and describe the job including its compensation rate and benefits.
- 55.26 (c) A program ~~must report by January 1 of each year to the commissioner. The report~~  
55.27 ~~must include, at least, information on:~~ is subject to the reporting requirements under section  
55.28 116L.98.
- 55.29 ~~(1) the number of graduates placed;~~
- 55.30 ~~(2) demographic information on the graduates;~~

56.1 ~~(3) the type of position in which each graduate is placed, including compensation~~  
 56.2 ~~information;~~

56.3 ~~(4) the tenure of each graduate at the placed position or in other jobs;~~

56.4 ~~(5) the amount of employer fees paid to the program;~~

56.5 ~~(6) the amount of money raised by the program from other sources; and~~

56.6 ~~(7) the types and sizes of employers with which graduates have been placed and retained.~~

56.7 Sec. 3. Minnesota Statutes 2017 Supplement, section 298.292, subdivision 2, is amended  
 56.8 to read:

56.9 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust  
 56.10 fund may be used for the following purposes:

56.11 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation  
 56.12 with private sources of financing, but a loan to a private enterprise shall be for a principal  
 56.13 amount not to exceed one-half of the cost of the project for which financing is sought, and  
 56.14 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight  
 56.15 percent or an interest rate three percentage points less than a full faith and credit obligation  
 56.16 of the United States government of comparable maturity, at the time that the loan is approved;

56.17 (2) to fund reserve accounts established to secure the payment when due of the principal  
 56.18 of and interest on bonds issued pursuant to section 298.2211;

56.19 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on  
 56.20 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or  
 56.21 retrofitting heating facilities in connection with district heating systems or systems utilizing  
 56.22 alternative energy sources;

56.23 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
 56.24 entities that are engaging in, or that will engage in, projects or programs that have the  
 56.25 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
 56.26 or enterprise unless at least two other unrelated investors make investments of at least  
 56.27 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
 56.28 Johnson economic protection trust fund may not exceed the amount of the largest investment  
 56.29 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
 56.30 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
 56.31 which the investment is made or to any individual who owns more than 40 percent of the  
 56.32 value of the entity, in any of the following relationships: spouse, parent, child, sibling,

57.1 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
 57.2 interests in it. For purposes of determining the limitations under this clause, the amount of  
 57.3 investments made by an investor other than the Douglas J. Johnson economic protection  
 57.4 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
 57.5 the period beginning one year before the date of the investment by the Douglas J. Johnson  
 57.6 economic protection trust fund; and

57.7 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to  
 57.8 be held and managed as a public trust for the benefit of the area for the purposes authorized  
 57.9 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the  
 57.10 commissioner, after consultation with the advisory board. The net proceeds must be deposited  
 57.11 in the trust fund for the purposes and uses of this section.

57.12 (b) Money from the trust fund shall be expended only in or for the benefit of the taconite  
 57.13 assistance area defined in section 273.1341.

57.14 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,  
 57.15 or transferred from the trust fund for any purpose except as provided in this section.

57.16 Sec. 4. Laws 2017, chapter 94, article 1, section 2, subdivision 2, is amended to read:

57.17 Subd. 2. **Business and Community Development** \$ 46,074,000 \$ 40,935,000

57.18 Appropriations by Fund

57.19 General \$43,363,000 \$38,424,000

57.20 Remediation \$700,000 \$700,000

57.21 Workforce  
 57.22 Development \$1,861,000 \$1,811,000

57.23 Special Revenue \$150,000 -0-

57.24 (a) \$4,195,000 each year is for the Minnesota  
 57.25 job skills partnership program under  
 57.26 Minnesota Statutes, sections 116L.01 to  
 57.27 116L.17. If the appropriation for either year  
 57.28 is insufficient, the appropriation for the other  
 57.29 year is available. This appropriation is  
 57.30 available until spent.

57.31 (b) \$750,000 each year is for grants to the  
 57.32 Neighborhood Development Center for small  
 57.33 business programs:

- 58.1 (1) training, lending, and business services;
- 58.2 (2) model outreach and training in greater
- 58.3 Minnesota; and
- 58.4 (3) development of new business incubators.
- 58.5 This is a onetime appropriation.
- 58.6 (c) \$1,175,000 each year is for a grant to the
- 58.7 Metropolitan Economic Development
- 58.8 Association (MEDA) for statewide business
- 58.9 development and assistance services, including
- 58.10 services to entrepreneurs with businesses that
- 58.11 have the potential to create job opportunities
- 58.12 for unemployed and underemployed people,
- 58.13 with an emphasis on minority-owned
- 58.14 businesses. This is a onetime appropriation.
- 58.15 (d) \$125,000 each year is for a grant to the
- 58.16 White Earth Nation for the White Earth Nation
- 58.17 Integrated Business Development System to
- 58.18 provide business assistance with workforce
- 58.19 development, outreach, technical assistance,
- 58.20 infrastructure and operational support,
- 58.21 financing, and other business development
- 58.22 activities. This is a onetime appropriation.
- 58.23 (e)(1) ~~\$12,500,000 each~~ the first year is and
- 58.24 \$10,500,000 the second year are for the
- 58.25 Minnesota investment fund under Minnesota
- 58.26 Statutes, section 116J.8731. Of this amount,
- 58.27 the commissioner of employment and
- 58.28 economic development may use up to three
- 58.29 percent for administration and monitoring of
- 58.30 the program. This appropriation is available
- 58.31 until spent. In fiscal year 2020 and beyond,
- 58.32 the base amount is \$12,500,000.
- 58.33 (2) Of the amount appropriated in fiscal year
- 58.34 2018, \$4,000,000 is for a loan to construct and

59.1 equip a wholesale electronic component  
59.2 distribution center investing a minimum of  
59.3 \$200,000,000 and constructing a facility at  
59.4 least 700,000 square feet in size. Loan funds  
59.5 may be used for purchases of materials,  
59.6 supplies, and equipment for the construction  
59.7 of the facility and are available from July 1,  
59.8 2017, to June 30, 2021. The commissioner of  
59.9 employment and economic development shall  
59.10 forgive the loan after verification that the  
59.11 project has satisfied performance goals and  
59.12 contractual obligations as required under  
59.13 Minnesota Statutes, section 116J.8731.

59.14 (3) Of the amount appropriated in fiscal year  
59.15 2018, \$700,000 is for a loan to extend an  
59.16 effluent pipe that will deliver reclaimed water  
59.17 to an innovative waste-to-biofuel project  
59.18 investing a minimum of \$150,000,000 and  
59.19 constructing a facility that is designed to  
59.20 process approximately 400,000 tons of waste  
59.21 annually. Loan funds are available until June  
59.22 30, 2021.

59.23 (4) Of the amount appropriated in fiscal year  
59.24 2019, \$1,000,000 is for a grant to the city of  
59.25 Minnetonka for a forgivable loan to a  
59.26 high-risk, high-return jobs retention and  
59.27 creation initiative to be conducted by a local  
59.28 business that produces lactic acid/lactate, to  
59.29 help grow and expand the bioeconomy in  
59.30 Minnesota. The grant under this section is not  
59.31 subject to the limitations under Minnesota  
59.32 Statutes, section 116J.8731, subdivision 5, or  
59.33 the performance goals, contractual obligations,  
59.34 and other requirements under sections  
59.35 116J.8731, subdivision 7, 116J.993, and

60.1 116J.994. Grant funds are available until June  
60.2 30, 2021.

60.3 (5) Of the amount appropriated in fiscal year  
60.4 2019, \$1,500,000 is for a loan to a paper mill  
60.5 in Duluth to support the operation and  
60.6 manufacture of packaging paper grades. The  
60.7 company that owns the paper mill must spend  
60.8 \$15,000,000 on expansion activities by  
60.9 December 31, 2019, in order to be eligible to  
60.10 receive funds in this appropriation. This  
60.11 appropriation is onetime and may be used for  
60.12 the mill's equipment, materials, supplies, and  
60.13 other operating expenses. The commissioner  
60.14 of employment and economic development  
60.15 shall forgive a portion of the loan each year  
60.16 after verification that the mill has retained 195  
60.17 full-time jobs over a period of five years and  
60.18 has satisfied other performance goals and  
60.19 contractual obligations as required under  
60.20 Minnesota Statutes, section 116J.8731.

60.21 (f) \$8,500,000 each year is for the Minnesota  
60.22 job creation fund under Minnesota Statutes,  
60.23 section 116J.8748. Of this amount, the  
60.24 commissioner of employment and economic  
60.25 development may use up to three percent for  
60.26 administrative expenses. This appropriation  
60.27 is available until expended. In fiscal year 2020  
60.28 and beyond, the base amount is \$8,000,000.

60.29 (g) \$1,647,000 each year is for contaminated  
60.30 site cleanup and development grants under  
60.31 Minnesota Statutes, sections 116J.551 to  
60.32 116J.558. This appropriation is available until  
60.33 spent. In fiscal year 2020 and beyond, the base  
60.34 amount is \$1,772,000.

61.1 (h) \$12,000 each year is for a grant to the  
61.2 Upper Minnesota Film Office.

61.3 (i) \$163,000 each year is for the Minnesota  
61.4 Film and TV Board. The appropriation in each  
61.5 year is available only upon receipt by the  
61.6 board of \$1 in matching contributions of  
61.7 money or in-kind contributions from nonstate  
61.8 sources for every \$3 provided by this  
61.9 appropriation, except that each year up to  
61.10 \$50,000 is available on July 1 even if the  
61.11 required matching contribution has not been  
61.12 received by that date.

61.13 (j) \$500,000 each year is from the general fund  
61.14 for a grant to the Minnesota Film and TV  
61.15 Board for the film production jobs program  
61.16 under Minnesota Statutes, section 116U.26.  
61.17 This appropriation is available until June 30,  
61.18 2021.

61.19 (k) \$139,000 each year is for a grant to the  
61.20 Rural Policy and Development Center under  
61.21 Minnesota Statutes, section 116J.421.

61.22 (l)(1) \$1,300,000 each year is for the greater  
61.23 Minnesota business development public  
61.24 infrastructure grant program under Minnesota  
61.25 Statutes, section 116J.431. This appropriation  
61.26 is available until spent. If the appropriation  
61.27 for either year is insufficient, the appropriation  
61.28 for the other year is available. In fiscal year  
61.29 2020 and beyond, the base amount is  
61.30 \$1,787,000. Funds available under this  
61.31 paragraph may be used for site preparation of  
61.32 property owned and to be used by private  
61.33 entities.

62.1 (2) Of the amounts appropriated, \$1,600,000  
62.2 in fiscal year 2018 is for a grant to the city of  
62.3 Thief River Falls to support utility extensions,  
62.4 roads, and other public improvements related  
62.5 to the construction of a wholesale electronic  
62.6 component distribution center at least 700,000  
62.7 square feet in size and investing a minimum  
62.8 of \$200,000,000. Notwithstanding Minnesota  
62.9 Statutes, section 116J.431, a local match is  
62.10 not required. Grant funds are available from  
62.11 July 1, 2017, to June 30, 2021.

62.12 (m) \$876,000 the first year and \$500,000 the  
62.13 second year are for the Minnesota emerging  
62.14 entrepreneur loan program under Minnesota  
62.15 Statutes, section 116M.18. Funds available  
62.16 under this paragraph are for transfer into the  
62.17 emerging entrepreneur program special  
62.18 revenue fund account created under Minnesota  
62.19 Statutes, chapter 116M, and are available until  
62.20 spent. Of this amount, up to four percent is for  
62.21 administration and monitoring of the program.  
62.22 In fiscal year 2020 and beyond, the base  
62.23 amount is \$1,000,000.

62.24 (n) \$875,000 each year is for a grant to  
62.25 Enterprise Minnesota, Inc. for the small  
62.26 business growth acceleration program under  
62.27 Minnesota Statutes, section 116O.115. This  
62.28 is a onetime appropriation.

62.29 (o) \$250,000 in fiscal year 2018 is for a grant  
62.30 to the Minnesota Design Center at the  
62.31 University of Minnesota for the greater  
62.32 Minnesota community design pilot project.

62.33 (p) \$275,000 in fiscal year 2018 is from the  
62.34 general fund to the commissioner of  
62.35 employment and economic development for

63.1 a grant to Community and Economic  
63.2 Development Associates (CEDA) for an  
63.3 economic development study and analysis of  
63.4 the effects of current and projected economic  
63.5 growth in southeast Minnesota. CEDA shall  
63.6 report on the findings and recommendations  
63.7 of the study to the committees of the house of  
63.8 representatives and senate with jurisdiction  
63.9 over economic development and workforce  
63.10 issues by February 15, 2019. All results and  
63.11 information gathered from the study shall be  
63.12 made available for use by cities in southeast  
63.13 Minnesota by March 15, 2019. This  
63.14 appropriation is available until June 30, 2020.

63.15 (q) \$2,000,000 in fiscal year 2018 is for a  
63.16 grant to Pillsbury United Communities for  
63.17 construction and renovation of a building in  
63.18 north Minneapolis for use as the "North  
63.19 Market" grocery store and wellness center,  
63.20 focused on offering healthy food, increasing  
63.21 health care access, and providing job creation  
63.22 and economic opportunities in one place for  
63.23 children and families living in the area. To the  
63.24 extent possible, Pillsbury United Communities  
63.25 shall employ individuals who reside within a  
63.26 five mile radius of the grocery store and  
63.27 wellness center. This appropriation is not  
63.28 available until at least an equal amount of  
63.29 money is committed from nonstate sources.  
63.30 This appropriation is available until the project  
63.31 is completed or abandoned, subject to  
63.32 Minnesota Statutes, section 16A.642.

63.33 (r) \$1,425,000 each year is for the business  
63.34 development competitive grant program. Of  
63.35 this amount, up to five percent is for

64.1 administration and monitoring of the business  
64.2 development competitive grant program. All  
64.3 grant awards shall be for two consecutive  
64.4 years. Grants shall be awarded in the first year.

64.5 (s) \$875,000 each year is for the host  
64.6 community economic development grant  
64.7 program established in Minnesota Statutes,  
64.8 section 116J.548.

64.9 (t) \$700,000 each year is from the remediation  
64.10 fund for contaminated site cleanup and  
64.11 development grants under Minnesota Statutes,  
64.12 sections 116J.551 to 116J.558. This  
64.13 appropriation is available until spent.

64.14 (u) \$161,000 each year is from the workforce  
64.15 development fund for a grant to the Rural  
64.16 Policy and Development Center. This is a  
64.17 onetime appropriation.

64.18 (v) \$300,000 each year is from the workforce  
64.19 development fund for a grant to Enterprise  
64.20 Minnesota, Inc. This is a onetime  
64.21 appropriation.

64.22 (w) \$50,000 in fiscal year 2018 is from the  
64.23 workforce development fund for a grant to  
64.24 Fighting Chance for behavioral intervention  
64.25 programs for at-risk youth.

64.26 (x) \$1,350,000 each year is from the  
64.27 workforce development fund for job training  
64.28 grants under Minnesota Statutes, section  
64.29 116L.42.

64.30 (y)(1) \$519,000 in fiscal year 2018 is for  
64.31 grants to local communities to increase the  
64.32 supply of quality child care providers in order  
64.33 to support economic development. At least 60  
64.34 percent of grant funds must go to communities

65.1 located outside of the seven-county  
65.2 metropolitan area, as defined under Minnesota  
65.3 Statutes, section 473.121, subdivision 2. Grant  
65.4 recipients must obtain a 50 percent nonstate  
65.5 match to grant funds in either cash or in-kind  
65.6 contributions. Grant funds available under this  
65.7 paragraph must be used to implement solutions  
65.8 to reduce the child care shortage in the state  
65.9 including but not limited to funding for child  
65.10 care business start-ups or expansions, training,  
65.11 facility modifications or improvements  
65.12 required for licensing, and assistance with  
65.13 licensing and other regulatory requirements.  
65.14 In awarding grants, the commissioner must  
65.15 give priority to communities that have  
65.16 documented a shortage of child care providers  
65.17 in the area.

65.18 (2) Within one year of receiving grant funds,  
65.19 grant recipients must report to the  
65.20 commissioner on the outcomes of the grant  
65.21 program including but not limited to the  
65.22 number of new providers, the number of  
65.23 additional child care provider jobs created, the  
65.24 number of additional child care slots, and the  
65.25 amount of local funds invested.

65.26 (3) By January 1 of each year, starting in 2019,  
65.27 the commissioner must report to the standing  
65.28 committees of the legislature having  
65.29 jurisdiction over child care and economic  
65.30 development on the outcomes of the program  
65.31 to date.

65.32 (z) \$319,000 in fiscal year 2018 is from the  
65.33 general fund for a grant to the East Phillips  
65.34 Improvement Coalition to create the East  
65.35 Phillips Neighborhood Institute (EPNI) to

66.1 expand culturally tailored resources that  
66.2 address small business growth and create  
66.3 green jobs. The grant shall fund the  
66.4 collaborative work of Tamales y Bicicletas,  
66.5 Little Earth of the United Tribes, a nonprofit  
66.6 serving East Africans, and other coalition  
66.7 members towards developing EPNI as a  
66.8 community space to host activities including,  
66.9 but not limited to, creation and expansion of  
66.10 small businesses, culturally specific  
66.11 entrepreneurial activities, indoor urban  
66.12 farming, job training, education, and skills  
66.13 development for residents of this low-income,  
66.14 environmental justice designated  
66.15 neighborhood. Eligible uses for grant funds  
66.16 include, but are not limited to, planning and  
66.17 start-up costs, staff and consultant costs,  
66.18 building improvements, rent, supplies, utilities,  
66.19 vehicles, marketing, and program activities.  
66.20 The commissioner shall submit a report on  
66.21 grant activities and quantifiable outcomes to  
66.22 the committees of the house of representatives  
66.23 and the senate with jurisdiction over economic  
66.24 development by December 15, 2020. This  
66.25 appropriation is available until June 30, 2020.

66.26 (aa) \$150,000 the first year is from the  
66.27 renewable development account in the special  
66.28 revenue fund established in Minnesota  
66.29 Statutes, section 116C.779, subdivision 1, to  
66.30 conduct the biomass facility closure economic  
66.31 impact study.

66.32 (bb)(1)\$300,000 in fiscal year 2018 is for a  
66.33 grant to East Side Enterprise Center (ESEC)  
66.34 to expand culturally tailored resources that  
66.35 address small business growth and job

67.1 creation. This appropriation is available until  
67.2 June 30, 2020. The appropriation shall fund  
67.3 the work of African Economic Development  
67.4 Solutions, the Asian Economic Development  
67.5 Association, the Dayton's Bluff Community  
67.6 Council, and the Latino Economic  
67.7 Development Center in a collaborative  
67.8 approach to economic development that is  
67.9 effective with smaller, culturally diverse  
67.10 communities that seek to increase the  
67.11 productivity and success of new immigrant  
67.12 and minority populations living and working  
67.13 in the community. Programs shall provide  
67.14 minority business growth and capacity  
67.15 building that generate wealth and jobs creation  
67.16 for local residents and business owners on the  
67.17 East Side of St. Paul.

67.18 (2) In fiscal year 2019 ESEC shall use funds  
67.19 to share its integrated service model and  
67.20 evolving collaboration principles with civic  
67.21 and economic development leaders in greater  
67.22 Minnesota communities which have diverse  
67.23 populations similar to the East Side of St. Paul.  
67.24 ESEC shall submit a report of activities and  
67.25 program outcomes, including quantifiable  
67.26 measures of success annually to the house of  
67.27 representatives and senate committees with  
67.28 jurisdiction over economic development.

67.29 (cc) \$150,000 in fiscal year 2018 is for a grant  
67.30 to Mille Lacs County for the purpose of  
67.31 reimbursement grants to small resort  
67.32 businesses located in the city of Isle with less  
67.33 than \$350,000 in annual revenue, at least four  
67.34 rental units, which are open during both  
67.35 summer and winter months, and whose

68.1 business was adversely impacted by a decline  
68.2 in walleye fishing on Lake Mille Lacs.

68.3 (dd)(1) \$250,000 in fiscal year 2018 is for a  
68.4 grant to the Small Business Development  
68.5 Center hosted at Minnesota State University,  
68.6 Mankato, for a collaborative initiative with  
68.7 the Regional Center for Entrepreneurial  
68.8 Facilitation. Funds available under this section  
68.9 must be used to provide entrepreneur and  
68.10 small business development direct professional  
68.11 business assistance services in the following  
68.12 counties in Minnesota: Blue Earth, Brown,  
68.13 Faribault, Le Sueur, Martin, Nicollet, Sibley,  
68.14 Watonwan, and Waseca. For the purposes of  
68.15 this section, "direct professional business  
68.16 assistance services" must include, but is not  
68.17 limited to, pre-venture assistance for  
68.18 individuals considering starting a business.  
68.19 This appropriation is not available until the  
68.20 commissioner determines that an equal amount  
68.21 is committed from nonstate sources. Any  
68.22 balance in the first year does not cancel and  
68.23 is available for expenditure in the second year.

68.24 (2) Grant recipients shall report to the  
68.25 commissioner by February 1 of each year and  
68.26 include information on the number of  
68.27 customers served in each county; the number  
68.28 of businesses started, stabilized, or expanded;  
68.29 the number of jobs created and retained; and  
68.30 business success rates in each county. By April  
68.31 1 of each year, the commissioner shall report  
68.32 the information submitted by grant recipients  
68.33 to the chairs of the standing committees of the  
68.34 house of representatives and the senate having



70.1 areas receiving funds, shall develop a method  
70.2 of distributing funds to provide equitable  
70.3 services across workforce service areas.

70.4 (d) \$1,000,000 each year is for a grant to the  
70.5 Construction Careers Foundation for the  
70.6 construction career pathway initiative to  
70.7 provide year-round educational and  
70.8 experiential learning opportunities for teens  
70.9 and young adults under the age of 21 that lead  
70.10 to careers in the construction industry. This is  
70.11 a onetime appropriation. Grant funds must be  
70.12 used to:

70.13 (1) increase construction industry exposure  
70.14 activities for middle school and high school  
70.15 youth, parents, and counselors to reach a more  
70.16 diverse demographic and broader statewide  
70.17 audience. This requirement includes, but is  
70.18 not limited to, an expansion of programs to  
70.19 provide experience in different crafts to youth  
70.20 and young adults throughout the state;

70.21 (2) increase the number of high schools in  
70.22 Minnesota offering construction classes during  
70.23 the academic year that utilize a multicraft  
70.24 curriculum;

70.25 (3) increase the number of summer internship  
70.26 opportunities;

70.27 (4) enhance activities to support graduating  
70.28 seniors in their efforts to obtain employment  
70.29 in the construction industry;

70.30 (5) increase the number of young adults  
70.31 employed in the construction industry and  
70.32 ensure that they reflect Minnesota's diverse  
70.33 workforce; and

71.1 (6) enhance an industrywide marketing  
71.2 campaign targeted to youth and young adults  
71.3 about the depth and breadth of careers within  
71.4 the construction industry.

71.5 Programs and services supported by grant  
71.6 funds must give priority to individuals and  
71.7 groups that are economically disadvantaged  
71.8 or historically underrepresented in the  
71.9 construction industry, including but not limited  
71.10 to women, veterans, and members of minority  
71.11 and immigrant groups.

71.12 (e) \$1,539,000 each year from the general fund  
71.13 and \$4,604,000 each year from the workforce  
71.14 development fund are for the Pathways to  
71.15 Prosperity adult workforce development  
71.16 competitive grant program. Of this amount,  
71.17 up to four percent is for administration and  
71.18 monitoring of the program. When awarding  
71.19 grants under this paragraph, the commissioner  
71.20 of employment and economic development  
71.21 may give preference to any previous grantee  
71.22 with demonstrated success in job training and  
71.23 placement for hard-to-train individuals. In  
71.24 fiscal year 2020 and beyond, the general fund  
71.25 base amount for this program is \$4,039,000.

71.26 (f) \$750,000 each year is for a competitive  
71.27 grant program to provide grants to  
71.28 organizations that provide support services for  
71.29 individuals, such as job training, employment  
71.30 preparation, internships, job assistance to  
71.31 fathers, financial literacy, academic and  
71.32 behavioral interventions for low-performing  
71.33 students, and youth intervention. Grants made  
71.34 under this section must focus on low-income  
71.35 communities, young adults from families with

72.1 a history of intergenerational poverty, and  
72.2 communities of color. Of this amount, up to  
72.3 four percent is for administration and  
72.4 monitoring of the program. In fiscal year 2020  
72.5 and beyond, the base amount is \$1,000,000.

72.6 (g) \$500,000 each year is for the women and  
72.7 high-wage, high-demand, nontraditional jobs  
72.8 grant program under Minnesota Statutes,  
72.9 section 116L.99. Of this amount, up to five  
72.10 percent is for administration and monitoring  
72.11 of the program. In fiscal year 2020 and  
72.12 beyond, the base amount is \$750,000.

72.13 (h) \$500,000 each year is for a competitive  
72.14 grant program for grants to organizations  
72.15 providing services to relieve economic  
72.16 disparities in the Southeast Asian community  
72.17 through workforce recruitment, development,  
72.18 job creation, assistance of smaller  
72.19 organizations to increase capacity, and  
72.20 outreach. Of this amount, up to five percent  
72.21 is for administration and monitoring of the  
72.22 program. In fiscal year 2020 and beyond, the  
72.23 base amount is \$1,000,000.

72.24 (i) \$250,000 each year is for a grant to the  
72.25 American Indian Opportunities and  
72.26 Industrialization Center, in collaboration with  
72.27 the Northwest Indian Community  
72.28 Development Center, to reduce academic  
72.29 disparities for American Indian students and  
72.30 adults. This is a onetime appropriation. The  
72.31 grant funds may be used to provide:

72.32 (1) student tutoring and testing support  
72.33 services;

72.34 (2) training in information technology;

- 73.1 (3) assistance in obtaining a GED;
- 73.2 (4) remedial training leading to enrollment in  
73.3 a postsecondary higher education institution;
- 73.4 (5) real-time work experience in information  
73.5 technology fields; and
- 73.6 (6) contextualized adult basic education.
- 73.7 After notification to the legislature, the  
73.8 commissioner may transfer this appropriation  
73.9 to the commissioner of education.
- 73.10 (j) \$100,000 each year is for the getting to  
73.11 work grant program. This is a onetime  
73.12 appropriation and is available until June 30,  
73.13 2021.
- 73.14 (k) \$525,000 each year is from the workforce  
73.15 development fund for a grant to the YWCA  
73.16 of Minneapolis to provide economically  
73.17 challenged individuals the job skills training,  
73.18 career counseling, and job placement  
73.19 assistance necessary to secure a child  
73.20 development associate credential and to have  
73.21 a career path in early childhood education.  
73.22 This is a onetime appropriation.
- 73.23 (l) \$1,350,000 each year is from the workforce  
73.24 development fund for a grant to the Minnesota  
73.25 High Tech Association to support  
73.26 SciTechsperience, a program that supports  
73.27 science, technology, engineering, and math  
73.28 (STEM) internship opportunities for two- and  
73.29 four-year college students and graduate  
73.30 students in their field of study. The internship  
73.31 opportunities must match students with paid  
73.32 internships within STEM disciplines at small,  
73.33 for-profit companies located in Minnesota,  
73.34 having fewer than 250 employees worldwide.

74.1 At least 300 students must be matched in the  
74.2 first year and at least 350 students must be  
74.3 matched in the second year. No more than 15  
74.4 percent of the hires may be graduate students.  
74.5 Selected hiring companies shall receive from  
74.6 the grant 50 percent of the wages paid to the  
74.7 intern, capped at \$2,500 per intern. The  
74.8 program must work toward increasing the  
74.9 participation of women or other underserved  
74.10 populations. This is a onetime appropriation.

74.11 (m) \$450,000 each year is from the workforce  
74.12 development fund for grants to Minnesota  
74.13 Diversified Industries, Inc. to provide  
74.14 progressive development and employment  
74.15 opportunities for people with disabilities. This  
74.16 is a onetime appropriation.

74.17 (n) \$500,000 each year is from the workforce  
74.18 development fund for a grant to Resource, Inc.  
74.19 to provide low-income individuals career  
74.20 education and job skills training that are fully  
74.21 integrated with chemical and mental health  
74.22 services. This is a onetime appropriation.

74.23 (o) \$750,000 each year is from the workforce  
74.24 development fund for a grant to the Minnesota  
74.25 Alliance of Boys and Girls Clubs to administer  
74.26 a statewide project of youth job skills and  
74.27 career development. This project, which may  
74.28 have career guidance components including  
74.29 health and life skills, is designed to encourage,  
74.30 train, and assist youth in early access to  
74.31 education and job-seeking skills, work-based  
74.32 learning experience including career pathways  
74.33 in STEM learning, career exploration and  
74.34 matching, and first job placement through  
74.35 local community partnerships and on-site job

75.1 opportunities. This grant requires a 25 percent  
75.2 match from nonstate resources. This is a  
75.3 onetime appropriation.

75.4 (p) \$215,000 each year is from the workforce  
75.5 development fund for grants to Big Brothers,  
75.6 Big Sisters of the Greater Twin Cities for  
75.7 workforce readiness, employment exploration,  
75.8 and skills development for youth ages 12 to  
75.9 21. The grant must serve youth in the Twin  
75.10 Cities, Central Minnesota, and Southern  
75.11 Minnesota Big Brothers, Big Sisters chapters.  
75.12 This is a onetime appropriation.

75.13 (q) \$250,000 each year is from the workforce  
75.14 development fund for a grant to YWCA St.  
75.15 Paul to provide job training services and  
75.16 workforce development programs and  
75.17 services, including job skills training and  
75.18 counseling. This is a onetime appropriation.

75.19 (r) \$1,000,000 each year is from the workforce  
75.20 development fund for a grant to EMERGE  
75.21 Community Development, in collaboration  
75.22 with community partners, for services  
75.23 targeting Minnesota communities with the  
75.24 highest concentrations of African and  
75.25 African-American joblessness, based on the  
75.26 most recent census tract data, to provide  
75.27 employment readiness training, credentialed  
75.28 training placement, job placement and  
75.29 retention services, supportive services for  
75.30 hard-to-employ individuals, and a general  
75.31 education development fast track and adult  
75.32 diploma program. This is a onetime  
75.33 appropriation.

75.34 (s) \$1,000,000 each year is from the workforce  
75.35 development fund for a grant to the

76.1 Minneapolis Foundation for a strategic  
76.2 intervention program designed to target and  
76.3 connect program participants to meaningful,  
76.4 sustainable living-wage employment. This is  
76.5 a onetime appropriation.

76.6 (t) \$750,000 each year is from the workforce  
76.7 development fund for a grant to Latino  
76.8 Communities United in Service (CLUES) to  
76.9 expand culturally tailored programs that  
76.10 address employment and education skill gaps  
76.11 for working parents and underserved youth by  
76.12 providing new job skills training to stimulate  
76.13 higher wages for low-income people, family  
76.14 support systems designed to reduce  
76.15 intergenerational poverty, and youth  
76.16 programming to promote educational  
76.17 advancement and career pathways. At least  
76.18 50 percent of this amount must be used for  
76.19 programming targeted at greater Minnesota.  
76.20 This is a onetime appropriation.

76.21 (u) \$600,000 each year is from the workforce  
76.22 development fund for a grant to Ujamaa Place  
76.23 for job training, employment preparation,  
76.24 internships, education, training in the  
76.25 construction trades, housing, and  
76.26 organizational capacity building. This is a  
76.27 onetime appropriation.

76.28 (v) \$1,297,000 in the first year and \$800,000  
76.29 in the second year are from the workforce  
76.30 development fund for performance grants  
76.31 under Minnesota Statutes, section 116J.8747,  
76.32 to Twin Cities R!SE to provide training to  
76.33 hard-to-train individuals. Of the amounts  
76.34 appropriated, \$497,000 in fiscal year 2018 is  
76.35 for a grant to Twin Cities R!SE, in

77.1 collaboration with Metro Transit and Hennepin  
77.2 Technical College for the Metro Transit  
77.3 technician training program. This is a onetime  
77.4 appropriation and funds are available until  
77.5 June 30, 2020.

77.6 (w) \$230,000 in fiscal year 2018 is from the  
77.7 workforce development fund for a grant to the  
77.8 Bois Forte Tribal Employment Rights Office  
77.9 (TERO) for an American Indian workforce  
77.10 development training pilot project. This is a  
77.11 onetime appropriation and is available until  
77.12 June 30, 2019. Funds appropriated the first  
77.13 year are available for use in the second year  
77.14 of the biennium.

77.15 (x) \$40,000 in fiscal year 2018 is from the  
77.16 workforce development fund for a grant to the  
77.17 Cook County Higher Education Board to  
77.18 provide educational programming and  
77.19 academic support services to remote regions  
77.20 in northeastern Minnesota. This appropriation  
77.21 is in addition to other funds previously  
77.22 appropriated to the board.

77.23 (y) \$250,000 each year is from the workforce  
77.24 development fund for a grant to Bridges to  
77.25 Healthcare to provide career education,  
77.26 wraparound support services, and job skills  
77.27 training in high-demand health care fields to  
77.28 low-income parents, nonnative speakers of  
77.29 English, and other hard-to-train individuals,  
77.30 helping families build secure pathways out of  
77.31 poverty while also addressing worker  
77.32 shortages in one of Minnesota's most  
77.33 innovative industries. Funds may be used for  
77.34 program expenses, including, but not limited  
77.35 to, hiring instructors and navigators; space

78.1 rental; and supportive services to help  
78.2 participants attend classes, including assistance  
78.3 with course fees, child care, transportation,  
78.4 and safe and stable housing. In addition, up to  
78.5 five percent of grant funds may be used for  
78.6 Bridges to Healthcare's administrative costs.  
78.7 This is a onetime appropriation and is  
78.8 available until June 30, 2020.

78.9 (z) \$500,000 each year is from the workforce  
78.10 development fund for a grant to the Nonprofits  
78.11 Assistance Fund to provide capacity-building  
78.12 grants to small, culturally specific  
78.13 organizations that primarily serve historically  
78.14 underserved cultural communities. Grants may  
78.15 only be awarded to nonprofit organizations  
78.16 that have an annual organizational budget of  
78.17 less than \$500,000 and are culturally specific  
78.18 organizations that primarily serve historically  
78.19 underserved cultural communities. Grant funds  
78.20 awarded must be used for:

78.21 (1) organizational infrastructure improvement,  
78.22 including developing database management  
78.23 systems and financial systems, or other  
78.24 administrative needs that increase the  
78.25 organization's ability to access new funding  
78.26 sources;

78.27 (2) organizational workforce development,  
78.28 including hiring culturally competent staff,  
78.29 training and skills development, and other  
78.30 methods of increasing staff capacity; or

78.31 (3) creation or expansion of partnerships with  
78.32 existing organizations that have specialized  
78.33 expertise in order to increase the capacity of  
78.34 the grantee organization to improve services  
78.35 for the community. Of this amount, up to five

79.1 percent may be used by the Nonprofits  
79.2 Assistance Fund for administration costs and  
79.3 providing technical assistance to potential  
79.4 grantees. This is a onetime appropriation.

79.5 (aa) \$4,050,000 each year is from the  
79.6 workforce development fund for the  
79.7 Minnesota youth program under Minnesota  
79.8 Statutes, sections 116L.56 and 116L.561.

79.9 (bb) \$1,000,000 each year is from the  
79.10 workforce development fund for the  
79.11 youthbuild program under Minnesota Statutes,  
79.12 sections 116L.361 to 116L.366.

79.13 (cc) \$3,348,000 each year is from the  
79.14 workforce development fund for the "Youth  
79.15 at Work" youth workforce development  
79.16 competitive grant program. Of this amount,  
79.17 up to five percent is for administration and  
79.18 monitoring of the youth workforce  
79.19 development competitive grant program. All  
79.20 grant awards shall be for two consecutive  
79.21 years. Grants shall be awarded in the first year.

79.22 (dd) \$500,000 each year is from the workforce  
79.23 development fund for the Opportunities  
79.24 Industrialization Center programs.

79.25 (ee) \$750,000 each year is from the workforce  
79.26 development fund for a grant to Summit  
79.27 Academy OIC to expand its contextualized  
79.28 GED and employment placement program.  
79.29 This is a onetime appropriation.

79.30 (ff) \$500,000 each year is from the workforce  
79.31 development fund for a grant to  
79.32 Goodwill-Easter Seals Minnesota and its  
79.33 partners. The grant shall be used to continue  
79.34 the FATHER Project in Rochester, Park

80.1 Rapids, St. Cloud, Minneapolis, and the  
80.2 surrounding areas to assist fathers in  
80.3 overcoming barriers that prevent fathers from  
80.4 supporting their children economically and  
80.5 emotionally. This is a onetime appropriation.

80.6 (gg) \$150,000 each year is from the workforce  
80.7 development fund for displaced homemaker  
80.8 programs under Minnesota Statutes, section  
80.9 116L.96. The commissioner shall distribute  
80.10 the funds to existing nonprofit and state  
80.11 displaced homemaker programs. This is a  
80.12 onetime appropriation.

80.13 (hh)(1) \$150,000 in fiscal year 2018 is from  
80.14 the workforce development fund for a grant  
80.15 to Anoka County to develop and implement  
80.16 a pilot program to increase competitive  
80.17 employment opportunities for transition-age  
80.18 youth ages 18 to 21.

80.19 (2) The competitive employment for  
80.20 transition-age youth pilot program shall  
80.21 include career guidance components, including  
80.22 health and life skills, to encourage, train, and  
80.23 assist transition-age youth in job-seeking  
80.24 skills, workplace orientation, and job site  
80.25 knowledge.

80.26 (3) In operating the pilot program, Anoka  
80.27 County shall collaborate with schools,  
80.28 disability providers, jobs and training  
80.29 organizations, vocational rehabilitation  
80.30 providers, and employers to build upon  
80.31 opportunities and services, to prepare  
80.32 transition-age youth for competitive  
80.33 employment, and to enhance employer  
80.34 connections that lead to employment for the  
80.35 individuals served.

81.1 (4) Grant funds may be used to create an  
81.2 on-the-job training incentive to encourage  
81.3 employers to hire and train qualifying  
81.4 individuals. A participating employer may  
81.5 receive up to 50 percent of the wages paid to  
81.6 the employee as a cost reimbursement for  
81.7 on-the-job training provided.

81.8 (ii) \$500,000 each year is from the workforce  
81.9 development fund for rural career counseling  
81.10 coordinator positions in the workforce service  
81.11 areas and for the purposes specified in  
81.12 Minnesota Statutes, section 116L.667. The  
81.13 commissioner of employment and economic  
81.14 development, in consultation with local  
81.15 workforce investment boards and local elected  
81.16 officials in each of the service areas receiving  
81.17 funds, shall develop a method of distributing  
81.18 funds to provide equitable services across  
81.19 workforce service areas.

81.20 (jj) In calendar year 2017, the public utility  
81.21 subject to Minnesota Statutes, section  
81.22 116C.779, must withhold \$1,000,000 from the  
81.23 funds required to fulfill its financial  
81.24 commitments under Minnesota Statutes,  
81.25 section 116C.779, subdivision 1, and pay such  
81.26 amounts to the commissioner of employment  
81.27 and economic development for deposit in the  
81.28 Minnesota 21st century fund under Minnesota  
81.29 Statutes, section 116J.423.

81.30 (kk) \$350,000 in fiscal year 2018 is for a grant  
81.31 to AccessAbility Incorporated to provide job  
81.32 skills training to individuals who have been  
81.33 released from incarceration for a felony-level  
81.34 offense and are no more than 12 months from  
81.35 the date of release. AccessAbility Incorporated

82.1 shall annually report to the commissioner on  
 82.2 how the money was spent and the results  
 82.3 achieved. The report must include, at a  
 82.4 minimum, information and data about the  
 82.5 number of participants; participant  
 82.6 homelessness, employment, recidivism, and  
 82.7 child support compliance; and training  
 82.8 provided to program participants.

82.9 Sec. 6. Laws 2017, chapter 94, article 1, section 9, is amended to read:

82.10 **Sec. 9. PUBLIC FACILITIES AUTHORITY      \$            1,800,000      \$                            -0-**

82.11 (a) \$300,000 in fiscal year 2018 is for a grant  
 82.12 to the city of New Trier to replace water  
 82.13 infrastructure under Hogan Avenue, including  
 82.14 related road reconstruction, and to acquire land  
 82.15 for predesign, design, and construction of a  
 82.16 storm water pond that will be colocated with  
 82.17 the pond of the new subdivision. This  
 82.18 appropriation does not require a nonstate  
 82.19 contribution.

82.20 (b) \$600,000 in fiscal year 2018 is for a grant  
 82.21 to the Ramsey/Washington Recycling and  
 82.22 Energy Board to design, construct, and equip  
 82.23 capital improvements to the  
 82.24 Ramsey/Washington Recycling and Energy  
 82.25 Center in Newport.

82.26 (c) \$900,000 in fiscal year 2018 is for a grant  
 82.27 to the Clear Lake-Clearwater Sewer Authority  
 82.28 to remove and replace the existing wastewater  
 82.29 treatment facility. This project is intended to  
 82.30 prevent the discharge of phosphorus into the  
 82.31 Mississippi River. This appropriation is not  
 82.32 available until the commissioner of  
 82.33 management and budget determines that at  
 82.34 least \$200,000 is committed to the project

83.1 from nonstate sources and the authority has  
 83.2 applied for at least two grants to offset the  
 83.3 cost. An amount equal to any grant money  
 83.4 received by the authority must be returned to  
 83.5 the general fund. This appropriation is  
 83.6 available until June 30, 2019.

## 83.7 ARTICLE 6

### 83.8 LABOR AND INDUSTRY

83.9 Section 1. Minnesota Statutes 2017 Supplement, section 175.46, subdivision 13, is amended  
 83.10 to read:

83.11 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships  
 83.12 located throughout the state, not to exceed \$100,000 per local partnership grant. The  
 83.13 commissioner may use up to five percent of this amount for administration of the grant  
 83.14 program.

83.15 (b) A local partnership awarded a grant under this section must use the grant award for  
 83.16 any of the following implementation and coordination activities:

83.17 (1) recruiting additional employers to provide on-the-job training and supervision for  
 83.18 student learners and providing technical assistance to those employers;

83.19 (2) recruiting students to participate in the local youth skills training program, monitoring  
 83.20 the progress of student learners participating in the program, and monitoring program  
 83.21 outcomes;

83.22 (3) coordinating youth skills training activities within participating school districts and  
 83.23 among participating school districts, postsecondary institutions, and employers;

83.24 (4) coordinating academic, vocational and occupational learning, school-based and  
 83.25 work-based learning, and secondary and postsecondary education for participants in the  
 83.26 local youth skills training program;

83.27 (5) coordinating transportation for student learners participating in the local youth skills  
 83.28 training program; and

83.29 (6) any other implementation or coordination activity that the commissioner may direct  
 83.30 or permit the local partnership to perform.

83.31 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student  
 83.32 learner.

84.1 Sec. 2. Minnesota Statutes 2016, section 326B.106, subdivision 9, is amended to read:

84.2 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require  
 84.3 new public buildings constructed or remodeled after July 1, 1963, and existing public  
 84.4 buildings when remodeled, to be accessible to and usable by persons with disabilities;  
 84.5 ~~although this does not require the remodeling of public buildings solely to provide~~  
 84.6 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~  
 84.7 ~~be undertaken.~~

84.8 (b) **Leased space.** No agency of the state may lease space for agency operations in a  
 84.9 non-state-owned building unless the building satisfies the requirements of the State Building  
 84.10 Code for accessibility by persons with disabilities, or is eligible to display the state symbol  
 84.11 of accessibility. This limitation applies to leases of 30 days or more for space of at least  
 84.12 1,000 square feet.

84.13 (c) **Meetings or conferences.** Meetings or conferences for the public or for state  
 84.14 employees which are sponsored in whole or in part by a state agency must be held in  
 84.15 buildings that meet the State Building Code requirements relating to accessibility for persons  
 84.16 with disabilities. This subdivision does not apply to any classes, seminars, or training  
 84.17 programs offered by the Minnesota State Colleges and Universities or the University of  
 84.18 Minnesota. Meetings or conferences intended for specific individuals none of whom need  
 84.19 the accessibility features for persons with disabilities specified in the State Building Code  
 84.20 need not comply with this subdivision unless a person with a disability gives reasonable  
 84.21 advance notice of an intent to attend the meeting or conference. When sign language  
 84.22 interpreters will be provided, meetings or conference sites must be chosen which allow  
 84.23 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

84.24 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of  
 84.25 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts  
 84.26 were made to secure facilities which complied with those requirements and if the selected  
 84.27 facilities are the best available for access for persons with disabilities. Exemptions shall be  
 84.28 granted using criteria developed by the commissioner in consultation with the Council on  
 84.29 Disability.

84.30 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation  
 84.31 International's Eleventh World Congress is the state symbol indicating buildings, facilities,  
 84.32 and grounds which are accessible to and usable by persons with disabilities. In the interests  
 84.33 of uniformity, this symbol is the sole symbol for display in or on all public or private  
 84.34 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain

85.1 the symbol and keep it on file. No building, facility, or grounds may display the symbol  
85.2 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.  
85.3 Before any rules are proposed for adoption under this paragraph, the commissioner shall  
85.4 consult with the Council on Disability. Rules adopted under this paragraph must be enforced  
85.5 in the same way as other accessibility rules of the State Building Code.

85.6 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

85.7 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,  
85.8 an initial or renewed residential contractor, residential remodeler, or residential roofer license  
85.9 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured  
85.10 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

85.11 (b) All initial and renewal licenses, except for manufactured home installer licenses,  
85.12 shall be effective for two years and shall expire on March 31 of the year after the year in  
85.13 which the application is made.

85.14 (c) The commissioner shall in a manner determined by the commissioner, without the  
85.15 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,  
85.16 residential remodeler, and residential roofer licenses from one year to two years. By June  
85.17 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer  
85.18 licenses shall be two-year licenses.

85.19 Sec. 4. Minnesota Statutes 2016, section 327B.041, is amended to read:

85.20 **327B.041 MANUFACTURED HOME INSTALLERS.**

85.21 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and  
85.22 the requirements of sections 326B.802 to 326B.885, except for the following:

85.23 (1) manufactured home installers are not subject to the continuing education requirements  
85.24 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education  
85.25 requirements established in rules adopted under section 327B.10;

85.26 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured  
85.27 home installers shall be satisfied by successful completion of a written examination  
85.28 administered and developed specifically for the examination of manufactured home installers.  
85.29 The examination must be administered and developed by the commissioner. The  
85.30 commissioner and the state building official shall seek advice on the grading, monitoring,  
85.31 and updating of examinations from the Minnesota Manufactured Housing Association;

86.1 (3) a local government unit may not place a surcharge on a license fee, and may not  
86.2 charge a separate fee to installers;

86.3 (4) a dealer or distributor who does not install or repair manufactured homes is exempt  
86.4 from licensure under sections 326B.802 to 326B.885;

86.5 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;  
86.6 and

86.7 (6) manufactured home installers are not subject to the contractor recovery fund in  
86.8 section 326B.89.

86.9 (b) The commissioner may waive all or part of the requirements for licensure as a  
86.10 manufactured home installer for any individual who holds an unexpired license or certificate  
86.11 issued by any other state or other United States jurisdiction if the licensing requirements of  
86.12 that jurisdiction meet or exceed the corresponding licensing requirements of the department  
86.13 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~  
86.14 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~  
86.15 ~~installer is a business license.~~

86.16 Sec. 5. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

86.17	<b>Subd. 5. General Support</b>	6,239,000	6,539,000
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86.18	Appropriations by Fund		
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86.19	Workforce		
86.20	Development Fund	200,000	500,000
86.21	Workers'		
86.22	Compensation	6,039,000	6,039,000

86.23 (a) Except as provided in paragraphs (b) and  
86.24 (c), this appropriation is from the workers'  
86.25 compensation fund.

86.26 (b) \$200,000 in fiscal year 2018 is from the  
86.27 workforce development fund for the  
86.28 commissioner of labor and industry to convene  
86.29 and collaborate with stakeholders as provided  
86.30 under Minnesota Statutes, section 175.46,  
86.31 subdivision 3, and to develop youth skills  
86.32 training competencies for approved  
86.33 occupations. This is a onetime appropriation.

87.1 (c) \$500,000 in fiscal year 2019 is from the  
 87.2 workforce development fund to administer the  
 87.3 youth skills training program under Minnesota  
 87.4 Statutes, section 175.46. The commissioner  
 87.5 shall award up to five grants each year to local  
 87.6 partnerships located throughout the state, not  
 87.7 to exceed \$100,000 per local partnership grant.  
 87.8 The commissioner may use ~~a portion~~ up to  
 87.9 five percent of this appropriation for  
 87.10 administration of the grant program. The base  
 87.11 amount for this program is ~~\$500,000~~  
 87.12 \$1,000,000 each year beginning in fiscal year  
 87.13 2020.

## 87.14 ARTICLE 7

### 87.15 WORKERS' COMPENSATION

87.16 Section 1. Minnesota Statutes 2017 Supplement, section 15A.083, subdivision 7, is  
 87.17 amended to read:

87.18 Subd. 7. **Workers' Compensation Court of Appeals and compensation judges.**  
 87.19 Salaries of judges of the Workers' Compensation Court of Appeals are ~~98.52~~ 105 percent  
 87.20 of the salary for ~~district Court~~ workers' compensation judges at the Office of Administrative  
 87.21 Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is  
 87.22 ~~98.52~~ 107 percent of the salary for a ~~chief district Court judge~~ workers' compensation judges  
 87.23 at the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent  
 87.24 of the salary of district court judges.

87.25 Sec. 2. Minnesota Statutes 2016, section 175A.05, is amended to read:

#### 87.26 175A.05 QUORUM.

87.27 Subdivision 1. Judges' quorum. A majority of the judges of the Workers' Compensation  
 87.28 Court of Appeals shall constitute a quorum for the exercise of the powers conferred and the  
 87.29 duties imposed on the Workers' Compensation Court of Appeals except that all appeals  
 87.30 shall be heard by no more than a panel of three of the five judges unless the case appealed  
 87.31 is determined to be of exceptional importance by the chief judge prior to assignment of the  
 87.32 case to a panel, or by a three-fifths vote of the judges prior to assignment of the case to a

88.1 panel or after the case has been considered by the panel but prior to the service and filing  
88.2 of the decision.

88.3 Subd. 2. **Vacancy.** A vacancy shall not impair the ability of the remaining judges of the  
88.4 Workers' Compensation Court of Appeals to exercise all the powers and perform all of the  
88.5 duties of the Workers' Compensation Court of Appeals.

88.6 Subd. 3. **Retired judges.** If the number of Workers' Compensation Court of Appeals  
88.7 judges available to hear a case is insufficient to constitute a quorum, the chief judge of the  
88.8 Workers' Compensation Court of Appeals may, with the retired judge's consent, assign a  
88.9 judge who is retired from the Workers' Compensation Court of Appeals or the Office of  
88.10 Administrative Hearings to hear any case properly assigned to a judge of the Workers'  
88.11 Compensation Court of Appeals. The retired judge assigned to the case may act on it with  
88.12 the full powers of the judge of the Workers' Compensation Court of Appeals. A retired  
88.13 judge performing this service shall receive pay and expenses in the amount and manner  
88.14 provided by law for judges serving on the court, less the amount of retirement pay the judge  
88.15 is receiving under chapter 352 or 490.

88.16 **EFFECTIVE DATE.** This section is effective June 1, 2018.

88.17 Sec. 3. Minnesota Statutes 2016, section 176.231, subdivision 9, is amended to read:

88.18 Subd. 9. **Uses ~~which~~ that may be made of reports.** (a) Reports filed with the  
88.19 commissioner under this section may be used in hearings held under this chapter, and for  
88.20 the purpose of state investigations and for statistics. These reports are available to the  
88.21 Department of Revenue for use in enforcing Minnesota income tax and property tax refund  
88.22 laws, and the information shall be protected as provided in chapter 270B.

88.23 (b) The division or Office of Administrative Hearings or Workers' Compensation Court  
88.24 of Appeals may permit the examination of its file by the employer, insurer, employee, or  
88.25 dependent of a deceased employee or any person who furnishes ~~written~~ signed authorization  
88.26 to do so from the employer, insurer, employee, or dependent of a deceased employee.  
88.27 Reports filed under this section and other information the commissioner has regarding  
88.28 injuries or deaths shall be made available to the Workers' Compensation Reinsurance  
88.29 Association for use by the association in carrying out its responsibilities under chapter 79.

88.30 (c) The division may provide the worker identification number assigned under section  
88.31 176.275, subdivision 1, without a written authorization required under paragraph (b) to an:

88.32 (1) attorney who represents one of the persons described in paragraph (b);

88.33 (2) attorney who represents an intervenor or potential intervenor under section 176.361;

89.1 (3) intervenor; or

89.2 (4) employee's assigned qualified rehabilitation consultant under section 176.102.

89.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

89.4 Sec. 4. **[176.2751] COORDINATION OF THE OFFICE OF ADMINISTRATIVE**  
 89.5 **HEARINGS' CASE MANAGEMENT SYSTEM AND THE WORKERS'**  
 89.6 **COMPENSATION IMAGING SYSTEM.**

89.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this  
 89.8 subdivision apply unless otherwise specified.

89.9 (b) "Commissioner" means the commissioner of labor and industry.

89.10 (c) "Department" means the Department of Labor and Industry.

89.11 (d) "Document" includes all data, whether in electronic or paper format, that is filed  
 89.12 with or issued by the office or department related to a claim-specific dispute resolution  
 89.13 proceeding under this section.

89.14 (e) "Office" means the Office of Administrative Hearings.

89.15 Subd. 2. **Applicability.** This section governs coordination of the office's case management  
 89.16 system and the workers' compensation imaging system pending completion of the workers'  
 89.17 compensation modernization program. This section prevails over any conflicting provision  
 89.18 in this chapter, Laws 1998, chapter 366, or corresponding rules.

89.19 Subd. 3. **Documents that must be filed with the office.** Except as provided in  
 89.20 subdivision 4 and section 176.421, all documents that require action by the office under  
 89.21 this chapter must be filed, electronically or in paper format, with the office as required by  
 89.22 the chief administrative law judge. Filing a document that initiates or is filed in preparation  
 89.23 for a proceeding at the office satisfies any requirement under this chapter that the document  
 89.24 must be filed with the commissioner.

89.25 Subd. 4. **Documents that must be filed with the commissioner.** (a) The following  
 89.26 documents must be filed directly with the commissioner in the format and manner prescribed  
 89.27 by the commissioner:

89.28 (1) all requests for an administrative conference under section 176.106, regardless of  
 89.29 the amount in dispute;

89.30 (2) a motion to intervene in an administrative conference that is pending at the department;

90.1 (3) any other document related to an administrative conference that is pending at the  
90.2 department;

90.3 (4) an objection to a penalty assessed by the commissioner or department;

90.4 (5) requests for medical and rehabilitation dispute certification under section 176.081,  
90.5 subdivision 1, paragraph (c), including related documents; and

90.6 (6) except as provided in this subdivision or subdivision 3, any other document required  
90.7 to be filed with the commissioner.

90.8 (b) The filing requirement in paragraph (a), clause (1), makes no changes to the  
90.9 jurisdictional provisions in section 176.106. A claim petition that contains only medical or  
90.10 rehabilitation issues, unless primary liability is disputed, is considered to be a request for  
90.11 an administrative conference and must be filed with the commissioner.

90.12 (c) The commissioner must refer a timely, unresolved objection to a penalty under  
90.13 paragraph (a), clause (4), to the office within 60 calendar days.

90.14 Subd. 5. **Form revision.** The commissioner must revise dispute resolution forms, in  
90.15 consultation with the chief administrative law judge, to reflect the filing requirements in  
90.16 this section.

90.17 Subd. 6. **Data privacy.** (a) All documents filed with or issued by the department or  
90.18 office under this chapter are private data on individuals and nonpublic data pursuant to  
90.19 chapter 13, except that the documents are available to the following:

90.20 (1) the office;

90.21 (2) the department;

90.22 (3) the employer;

90.23 (4) the insurer;

90.24 (5) the employee;

90.25 (6) the dependent of a deceased employee;

90.26 (7) an intervenor in the dispute;

90.27 (8) the attorney to a party in the dispute;

90.28 (9) a person who furnishes written authorization from the employer, insurer, employee,  
90.29 or dependent of a deceased employee; and

91.1 (10) a person, agency, or other entity allowed access to the documents under this chapter  
 91.2 or other law.

91.3 (b) The office and department may post notice of scheduled proceedings on the agencies'  
 91.4 Web sites and at their principal places of business in any manner that protects the employee's  
 91.5 identifying information.

91.6 **EFFECTIVE DATE.** This section is effective June 1, 2018.

## 91.7 **ARTICLE 8**

### 91.8 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

91.9 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 12, is amended to read:

91.10 Subd. 12. **Covered employment.** (a) "Covered employment" means ~~the following unless~~  
 91.11 ~~excluded as "noncovered employment" under subdivision 20:~~

91.12 ~~(1) an employee's entire employment during the calendar quarter if:~~

91.13 ~~(i) (1) 50 percent or more of the employment during the quarter is performed primarily~~  
 91.14 ~~in Minnesota;~~

91.15 ~~(ii) (2) 50 percent or more of the employment during the quarter is not performed~~  
 91.16 ~~primarily in Minnesota or any other state, or Canada, but some of the employment is~~  
 91.17 ~~performed in Minnesota and the base of operations or the place from which the employment~~  
 91.18 ~~is directed or controlled is in Minnesota; or~~

91.19 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~  
 91.20 ~~other state and the base of operations or place from which the employment is directed or~~  
 91.21 ~~controlled is not in any state where part of the employment is performed, but the employee's~~  
 91.22 ~~residence is in Minnesota during 50 percent or more of the calendar quarter;~~

91.23 ~~(2) an employee's entire employment during the calendar quarter performed within the~~  
 91.24 ~~United States or Canada, if:~~

91.25 ~~(i) the employment is not covered employment under the unemployment insurance~~  
 91.26 ~~program of any other state, federal law, or the law of Canada; and~~

91.27 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

91.28 (3) the employment during the calendar quarter, is performed entirely outside the United  
 91.29 States and Canada, by an employee who is a United States citizen in the employ of an  
 91.30 American employer, if the employer's principal place of business in the United States is  
 91.31 located in Minnesota. For the purposes of this clause, an "American employer," for the

92.1 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~  
 92.2 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~  
 92.3 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~  
 92.4 ~~of the United States~~ is as defined under the Federal Unemployment Tax Act, United States  
 92.5 Code title 26, chapter 23, section 3306, subsection (j)(3); and

92.6 (4) ~~all the~~ employment during the calendar quarter is performed by an officer or member  
 92.7 of the crew of an American vessel on or in connection with the vessel, if the operating on  
 92.8 navigable waters within, or within and without, the United States, and the office from which  
 92.9 the operations of the vessel operating on navigable waters within, or within and without,  
 92.10 the United States are ordinarily and regularly supervised, managed, directed, and controlled  
 92.11 is in Minnesota.

92.12 (b) "Covered employment" includes covered agricultural employment under subdivision  
 92.13 11.

92.14 (c) For the purposes of section 268.095, "covered employment" includes employment  
 92.15 covered under an unemployment insurance program:

92.16 (1) of any other state; ~~or~~

92.17 (2) established by an act of Congress; or

92.18 (3) the law of Canada.

92.19 (d) The percentage of employment performed under paragraph (a) is determined by the  
 92.20 amount of hours worked.

92.21 (e) Covered employment does not include any employment defined as "noncovered  
 92.22 employment" under subdivision 20.

92.23 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 20, is amended  
 92.24 to read:

92.25 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

92.26 (1) employment for the United States government or an instrumentality thereof, including  
 92.27 military service;

92.28 (2) employment for a state, other than Minnesota, or a political subdivision or  
 92.29 instrumentality thereof;

92.30 (3) employment for a foreign government;

92.31 (4) employment covered under the federal Railroad Unemployment Insurance Act;

93.1 (5) employment for a church or convention or association of churches, or a nonprofit  
93.2 organization operated primarily for religious purposes that is operated, supervised, controlled,  
93.3 or principally supported by a church or convention or association of churches;

93.4 (6) employment for an elementary or secondary school with a curriculum that includes  
93.5 religious education that is operated by a church, a convention or association of churches,  
93.6 or a nonprofit organization that is operated, supervised, controlled, or principally supported  
93.7 by a church or convention or association of churches;

93.8 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
93.9 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member  
93.10 of a religious order in the exercise of duties required by the order;

93.11 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
93.12 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the  
93.13 purpose of carrying out a program of rehabilitation for individuals whose earning capacity  
93.14 is impaired by age or physical or mental deficiency or injury or a program providing  
93.15 "sheltered" work for individuals who because of an impaired physical or mental capacity  
93.16 cannot be readily absorbed in the competitive labor market. This clause applies only to  
93.17 services performed in a facility certified by the Rehabilitation Services Branch of the  
93.18 department or in a day training or habilitation program licensed by the Department of Human  
93.19 Services;

93.20 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
93.21 an individual receiving work relief or work training as part of an unemployment work relief  
93.22 or work training program financed in whole or in part by any federal agency or an agency  
93.23 of a state or political subdivision thereof. This clause does not apply to programs that require  
93.24 unemployment benefit coverage for the participants;

93.25 (10) employment for Minnesota or a political subdivision, as an elected official, a member  
93.26 of a legislative body, or a member of the judiciary;

93.27 (11) employment as a member of the Minnesota National Guard or Air National Guard;

93.28 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of  
93.29 an individual serving on a temporary basis in case of fire, flood, tornado, or similar  
93.30 emergency;

93.31 (13) employment as an election official or election worker for Minnesota or a political  
93.32 subdivision, if the compensation for that employment was less than \$1,000 in a calendar  
93.33 year;

94.1 (14) employment for Minnesota that is a major policy-making or advisory position in  
94.2 the unclassified service;

94.3 (15) employment for Minnesota in an unclassified position established under section  
94.4 43A.08, subdivision 1a;

94.5 (16) employment for a political subdivision of Minnesota that is a nontenured major  
94.6 policy making or advisory position;

94.7 (17) domestic employment in a private household, local college club, or local chapter  
94.8 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the  
94.9 current or prior calendar year to all individuals in domestic employment totaled less than  
94.10 \$1,000.

94.11 "Domestic employment" includes all service in the operation and maintenance of a  
94.12 private household, for a local college club, or local chapter of a college fraternity or sorority  
94.13 as distinguished from service as an employee in the pursuit of an employer's trade or business;

94.14 (18) employment of an individual by a son, daughter, or spouse, and employment of a  
94.15 child under the age of 18 by the child's father or mother;

94.16 (19) employment of an inmate of a custodial or penal institution;

94.17 (20) employment for a school, college, or university, by a student who is enrolled and  
94.18 whose primary relation to the school, college, or university is as a student. This does not  
94.19 include an individual whose primary relation to the school, college, or university is as an  
94.20 employee who also takes courses;

94.21 (21) employment of an individual who is enrolled as a student in a full-time program at  
94.22 a nonprofit or public educational institution that maintains a regular faculty and curriculum  
94.23 and has a regularly organized body of students in attendance at the place where its educational  
94.24 activities are carried on, taken for credit at the institution, that combines academic instruction  
94.25 with work experience, if the employment is an integral part of the program, and the institution  
94.26 has so certified to the employer, except that this clause does not apply to employment in a  
94.27 program established for or on behalf of an employer or group of employers;

94.28 (22) employment of a foreign college or university student who works on a seasonal or  
94.29 temporary basis under the J-1 visa summer work travel program described in Code of Federal  
94.30 Regulations, title 22, section 62.32;

94.31 ~~(22)~~ (23) employment of university, college, or professional school students in an  
94.32 internship or other training program with the city of St. Paul or the city of Minneapolis  
94.33 under Laws 1990, chapter 570, article 6, section 3;

95.1 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an  
95.2 institution that has been licensed by the Department of Health as a hospital;

95.3 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by  
95.4 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
95.5 training school;

95.6 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a  
95.7 four-year course in an accredited medical school;

95.8 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if  
95.9 all the wages from the employment is solely by way of commission. The word "insurance"  
95.10 includes an annuity and an optional annuity;

95.11 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's  
95.12 mutual insurance company under chapter 67A;

95.13 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including  
95.14 through a subsidiary or holding company, owns 25 percent or more of the employer  
95.15 corporation, and employment of a member of a limited liability company, if the member  
95.16 directly or indirectly, including through a subsidiary or holding company, owns 25 percent  
95.17 or more of the employer limited liability company;

95.18 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all  
95.19 the wages from the employment is solely by way of commission;

95.20 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section  
95.21 3508;

95.22 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution  
95.23 of newspapers or shopping news, not including delivery or distribution to any point for  
95.24 subsequent delivery or distribution;

95.25 ~~(32)~~ (33) casual employment performed for an individual, other than domestic  
95.26 employment under clause (17), that does not promote or advance that employer's trade or  
95.27 business;

95.28 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural  
95.29 employment" under subdivision 11; or

95.30 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered  
95.31 employment, all the employment for the pay period is covered employment; but if during  
95.32 more than one-half of any pay period the employment was noncovered employment, then

96.1 all of the employment for the pay period is noncovered employment. "Pay period" means  
 96.2 a period of not more than a calendar month for which a payment or compensation is ordinarily  
 96.3 made to the employee by the employer.

96.4 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 2a, is amended to read:

96.5 Subd. 2a. **Unemployment insurance tax ~~limits~~ reduction.** (a) If the balance in the trust  
 96.6 fund on December 31 of any calendar year is four percent or more above the amount equal  
 96.7 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced  
 96.8 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the  
 96.9 same percentage of the total amount above 1.0 as the percentage of taxes paid by the  
 96.10 employer during the calendar year is of the total amount of taxes that were paid by all  
 96.11 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers  
 96.12 assigned a tax rate equal to the maximum experience rating plus the applicable base tax  
 96.13 rate.

96.14 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given  
 96.15 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,  
 96.16 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of  
 96.17 adequate reserves in relation to the state's current economy. The commissioner must calculate  
 96.18 and publish, as soon as possible following December 31 of any calendar year, the trust fund  
 96.19 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.  
 96.20 Actual wages paid must be used in the calculation and estimates may not be used.

96.21 (c) The unemployment tax reduction under this subdivision does not apply to employers  
 96.22 that were at assigned a tax rate equal to the maximum experience rating plus the applicable  
 96.23 base tax rate for the year, nor to high experience rating industry employers under subdivision  
 96.24 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding  
 96.25 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,  
 96.26 do not apply.

96.27 (d) The unemployment tax reduction under this subdivision applies to taxes ~~paid~~ payable  
 96.28 between March 1 and December 15 of the year following the December 31 computation  
 96.29 under paragraph (a).

96.30 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~  
 96.31 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~  
 96.32 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~  
 96.33 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~  
 96.34 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~

97.1 the successor employer must receive that portion of the predecessor employer's tax reduction  
 97.2 equal to that portion of the experience rating history transferred. The predecessor employer  
 97.3 retains that portion of tax reduction not transferred to the successor. This paragraph applies  
 97.4 to that portion of the tax reduction that remains unused at the time notice of acquisition is  
 97.5 provided under subdivision 4, paragraph (e).

97.6 **EFFECTIVE DATE.** This section is effective July 1, 2018.

## 97.7 **ARTICLE 9**

### 97.8 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

97.9 Section 1. Minnesota Statutes 2016, section 268.057, subdivision 5, is amended to read:

97.10 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
 97.11 this chapter or section 116L.20, except late fees under section 268.044, are not received on  
 97.12 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount  
 97.13 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of  
 97.14 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision  
 97.15 is credited to the contingent account.

97.16 **EFFECTIVE DATE.** This section is effective October 1, 2019.

97.17 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 2b, is amended  
 97.18 to read:

97.19 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and  
 97.20 any penalty amounts assessed under subdivision 2, the commissioner must assess interest  
 97.21 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar  
 97.22 days after the date of a determination of overpayment penalty. Interest is assessed at the  
 97.23 rate of one percent per month or any part of a month. A determination of overpayment  
 97.24 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~  
 97.25 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest  
 97.26 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

97.27 **EFFECTIVE DATE.** This section is effective October 1, 2019.

## 97.28 **ARTICLE 10**

### 97.29 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

97.30 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 4, is amended to read:

98.1 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,  
 98.2 means the most recent four completed calendar quarters before the effective date of an  
 98.3 applicant's application for unemployment benefits if the application has an effective date  
 98.4 occurring after the month following the most recent completed calendar quarter. The base  
 98.5 period under this paragraph is as follows:

98.6	If the application for unemployment	The base period is the prior:
98.7	benefits is effective on or between these	
98.8	dates:	
98.9	February 1 - March 31	January 1 - December 31
98.10	May 1 - June 30	April 1 - March 31
98.11	August 1 - September 30	July 1 - June 30
98.12	November 1 - December 31	October 1 - September 30

98.13 (b) If an application for unemployment benefits has an effective date that is during the  
 98.14 month following the most recent completed calendar quarter, then the base period is the  
 98.15 first four of the most recent five completed calendar quarters before the effective date of  
 98.16 an applicant's application for unemployment benefits. The base period under this paragraph  
 98.17 is as follows:

98.18	If the application for unemployment	The base period is the prior:
98.19	benefits is effective on or between these	
98.20	dates:	
98.21	January 1 - January 31	October 1 - September 30
98.22	April 1 - April 30	January 1 - December 31
98.23	July 1 - July 31	April 1 - March 31
98.24	October 1 - October 31	July 1 - June 30

98.25 (c) Regardless of paragraph (a), a base period of the first four of the most recent five  
 98.26 completed calendar quarters must be used if the applicant would have more wage credits  
 98.27 under that base period than under a base period of the four most recent completed calendar  
 98.28 quarters.

98.29 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~  
 98.30 ~~account, then a base period of the most recent four completed calendar quarters before the~~  
 98.31 ~~effective date of the applicant's application for unemployment benefits must be used.~~

98.32 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under  
 98.33 a base period of the four most recent completed calendar quarters, or a base period of the  
 98.34 first four of the most recent five completed calendar quarters, but during either base period  
 98.35 the applicant received workers' compensation for temporary disability under chapter 176  
 98.36 or a similar federal law or similar law of another state, or if the applicant whose own serious

99.1 illness caused a loss of work for which the applicant received compensation for loss of  
99.2 wages from some other source, the applicant may request a base period as follows:

99.3 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a  
99.4 base period referred to in paragraph (a) or (b), then the base period is the first four of the  
99.5 most recent six completed calendar quarters before the effective date of the application for  
99.6 unemployment benefits;

99.7 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base  
99.8 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
99.9 recent seven completed calendar quarters before the effective date of the application for  
99.10 unemployment benefits;

99.11 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base  
99.12 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
99.13 recent eight completed calendar quarters before the effective date of the application for  
99.14 unemployment benefits; and

99.15 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base  
99.16 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
99.17 recent nine completed calendar quarters before the effective date of the application for  
99.18 unemployment benefits.

99.19 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a  
99.20 prior benefit account was established.

99.21 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.07, subdivision 1, is amended  
99.22 to read:

99.23 Subdivision 1. **Application for unemployment benefits; determination of benefit**  
99.24 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or  
99.25 by electronic transmission as the commissioner may require. The applicant must be  
99.26 unemployed at the time the application is filed and must provide all requested information  
99.27 in the manner required. If the applicant is not unemployed at the time of the application or  
99.28 fails to provide all requested information, the communication is not an application for  
99.29 unemployment benefits.

99.30 (b) The commissioner must examine each application for unemployment benefits to  
99.31 determine the base period and the benefit year, and based upon all the covered employment  
99.32 in the base period the commissioner must determine the weekly unemployment benefit  
99.33 amount available, if any, and the maximum amount of unemployment benefits available,

100.1 if any. The determination, which is a document separate and distinct from a document titled  
 100.2 a determination of eligibility or determination of ineligibility issued under section 268.101,  
 100.3 must be titled determination of benefit account. A determination of benefit account must  
 100.4 be sent to the applicant and all base period employers, by mail or electronic transmission.

100.5 (c) If a base period employer did not provide wage detail information for the applicant  
 100.6 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~  
 100.7 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~  
 100.8 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based  
 100.9 upon the applicant's records, and issue a determination of benefit account.

100.10 ~~(d) An employer must provide wage detail information on an applicant within five~~  
 100.11 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

100.12 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~  
 100.13 ~~(d); and~~

100.14 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~  
 100.15 ~~employer.~~

100.16 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of  
 100.17 a benefit account, reconsider any determination of benefit account and make an amended  
 100.18 determination if the commissioner finds that the wage credits listed in the determination  
 100.19 were incorrect for any reason. An amended determination of benefit account must be  
 100.20 promptly sent to the applicant and all base period employers, by mail or electronic  
 100.21 transmission. This subdivision does not apply to documents titled determinations of eligibility  
 100.22 or determinations of ineligibility issued under section 268.101.

100.23 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment  
 100.24 benefit amount or maximum amount of unemployment benefits available, any unemployment  
 100.25 benefits that have been paid greater than the applicant was entitled is an overpayment of  
 100.26 unemployment benefits. A determination or amended determination issued under this section  
 100.27 that results in an overpayment of unemployment benefits must set out the amount of the  
 100.28 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid  
 100.29 unemployment benefits must be repaid.

100.30

## ARTICLE 11

100.31

### UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING

100.32 Section 1. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 15, is  
 100.33 amended to read:

101.1 Subd. 15. **Employment.** (a) "Employment" means service performed by:

101.2 (1) an individual who is an employee under the common law of employer-employee and  
101.3 not an independent contractor;

101.4 (2) an officer of a corporation;

101.5 (3) a member of a limited liability company who is an employee under the common law  
101.6 of employer-employee; or

101.7 (4) an individual who is an employee under the Federal Insurance Contributions Act,  
101.8 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

101.9 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of  
101.10 products. The person that pays the wages is the employer.

101.11 (b) Employment does not include service as a juror.

101.12 (c) Construction industry employment is defined in subdivision 9a. Trucking and  
101.13 messenger/courier industry employment is defined in subdivision 25b. Rules on determining  
101.14 worker employment status are described under Minnesota Rules, chapter 3315.

101.15 Sec. 2. Minnesota Statutes 2016, section 268.044, subdivision 2, is amended to read:

101.16 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
101.17 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
101.18 based upon the highest of:

101.19 (1) the number of employees reported on the last wage detail report submitted;

101.20 (2) the number of employees reported in the corresponding quarter of the prior calendar  
101.21 year; or

101.22 (3) if no wage detail report has ever been submitted, the number of employees listed at  
101.23 the time of employer registration.

101.24 The late fee is canceled if the wage detail report is received within 30 calendar days  
101.25 after a demand for the report is sent to the employer by mail or electronic transmission. A  
101.26 late fee assessed an employer may not be canceled more than twice each 12 months. The  
101.27 amount of the late fee assessed may not be less than \$250.

101.28 (b) If the wage detail report is not received in a manner and format prescribed by the  
101.29 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
101.30 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
101.31 increased late fee will be sent to the employer by mail or electronic transmission.

102.1 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
 102.2 section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.

102.3 Sec. 3. Minnesota Statutes 2016, section 268.047, subdivision 3, is amended to read:

102.4 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not  
 102.5 be used in computing the future tax rate of a taxpaying base period employer when:

102.6 (1) the applicant's wage credits from that employer are less than \$500;

102.7 (2) the applicant quit the employment, unless it was determined under section 268.095,  
 102.8 to have been because of a good reason caused by the employer or because the employer  
 102.9 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to  
 102.10 unemployment benefits paid for periods after the applicant's quitting the employment and,  
 102.11 if the applicant is rehired by the employer, continues only until the beginning of the week  
 102.12 the applicant is rehired; or

102.13 (3) the employer discharged the applicant from employment because of employment  
 102.14 misconduct as determined under section 268.095. This exception applies ~~only~~ to  
 102.15 unemployment benefits paid for periods after the applicant's discharge from employment  
 102.16 and, if the applicant is rehired by the employer, continues only until the beginning of the  
 102.17 week the applicant is rehired.

102.18 **EFFECTIVE DATE.** This section is effective October 1, 2019.

102.19 Sec. 4. Minnesota Statutes 2016, section 268.059, is amended to read:

102.20 **268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT**  
 102.21 **BENEFIT OVERPAYMENTS.**

102.22 Subdivision 1. **Notice Authority.** ~~The commissioner may give notice to any employer~~  
 102.23 ~~that an employee owes any amounts due under this chapter or section 116L.20, and that the~~  
 102.24 ~~obligation should be withheld from the employee's wages. The commissioner may proceed~~  
 102.25 ~~only if the amount due is uncontested or if the time for any appeal has expired. The~~  
 102.26 commissioner may garnish an employee's wages to collect amounts due under this chapter  
 102.27 or section 116L.20, as set forth in this section. Chapter 571 does not apply, except as  
 102.28 referenced in this section.

102.29 Subd. 1a. **Notice.** The commissioner may not proceed with a garnishment until 30  
 102.30 calendar days after sending to the debtor employee, by mail or electronic transmission, a  
 102.31 notice of intent to garnish wages and exemption notice. That notice must ~~list~~ include:

103.1 (1) the amount due from the debtor;

103.2 (2) demand for immediate payment; and

103.3 (3) the intention to serve a garnishment notice on the debtor's employer.

103.4 The notice expires 180 calendar days after it has been sent to the debtor provided that  
103.5 the notice may be renewed by sending a new notice that is in accordance with this section.

103.6 The renewed notice has the effect of reinstating the priority of the original notice. ~~The~~  
103.7 ~~exemption notice must be in substantially the same form as in section 571.72.~~ The exemption  
103.8 notice must inform the debtor of the right to claim exemptions contained in section 550.37,  
103.9 subdivision 14. ~~If no claim of exemption is received by the commissioner within 30 calendar~~  
103.10 ~~days after sending of the notice, the commissioner may proceed with the garnishment. The~~  
103.11 ~~notice to the debtor's employer may be served by mail or electronic transmission and must~~  
103.12 ~~be in substantially the same form as in section 571.75.~~

103.13 Subd. 2. **Employer action.** (a) Thirty calendar days after sending the notice of intent to  
103.14 garnish, the commissioner may send to the debtor's employer, by mail or electronic  
103.15 transmission, a notice of garnishment, including a worksheet for determining the amount  
103.16 to be withheld from wages each pay period. The amount to be withheld from wages is  
103.17 subject to the limitations in section 571.922. Upon receipt of the garnishment notice, the  
103.18 employer must withhold from the ~~earnings~~ wages due or to become due to the employee,  
103.19 ~~the amount shown on the notice plus accrued interest, subject to section 571.922 determined~~  
103.20 by the employer plus accrued interest. The employer must continue to withhold each pay  
103.21 period the amount ~~shown on the notice~~ determined by the employer plus accrued interest  
103.22 until the garnishment notice is released by the commissioner. Upon receipt of notice by the  
103.23 employer, the claim of the commissioner has priority over any subsequent garnishments or  
103.24 wage assignments. The commissioner may ~~arrange between the employer and employee~~  
103.25 ~~for withholding a portion of the total amount due the employee each pay period,~~ agree to  
103.26 accept a withholding amount that is less than the amount determined by the employer on  
103.27 the worksheet until the total amount ~~shown on the notice~~ due plus accrued interest has been  
103.28 withheld.

103.29 (b) ~~The "earnings due" any employee~~ For the purposes of this section, "wages" is as  
103.30 defined in section 571.921 268.035, subdivision 29.

103.31 ~~(b)~~ (c) The maximum garnishment allowed for any one pay period must be decreased  
103.32 by any amounts payable under any other garnishment action served before the garnishment  
103.33 notice, and any amounts covered by any irrevocable and previously effective assignment  
103.34 of wages; The employer must give notice to the commissioner of the amounts and the facts

104.1 relating to the other garnishment or assignment ~~within ten calendar days after the service~~  
 104.2 ~~of the garnishment notice~~ on the ~~form~~ worksheet provided by the commissioner.

104.3 ~~(e)~~ (d) Within ten calendar days after the expiration of the pay period, the employer must  
 104.4 remit to the commissioner, on a form and in the manner prescribed by the commissioner,  
 104.5 the amount withheld during each pay period.

104.6 Subd. 3. **Discharge or discipline prohibited.** (a) If the employee ceases to be employed  
 104.7 by the employer before the full amount ~~set forth on the garnishment notice due~~ plus accrued  
 104.8 interest has been withheld, the employer must immediately notify the commissioner in  
 104.9 writing or by electronic transmission, as prescribed by the commissioner, of the termination  
 104.10 date of the employee and the total amount withheld. No employer may discharge or discipline  
 104.11 any employee because the commissioner has proceeded under this section. If an employer  
 104.12 discharges an employee in violation of this section, the employee has the same remedy as  
 104.13 provided in section 571.927, subdivision 2.

104.14 (b) This section applies if the employer is the state of Minnesota or any political  
 104.15 subdivision.

104.16 (c) The commissioner must refund to the employee any excess amounts withheld from  
 104.17 the employee.

104.18 (d) An employer that fails or refuses to comply with this section is jointly and severally  
 104.19 liable for the total amount due from the employee. Any amount due from the employer  
 104.20 under this paragraph may be collected in the same manner as any other amounts due from  
 104.21 an employer under this chapter.

104.22 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 3, is amended to read:

104.23 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An  
 104.24 applicant is not eligible to receive unemployment benefits for any week the applicant is  
 104.25 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also  
 104.26 known as "PTO."

104.27 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and~~ does  
 104.28 not apply:

104.29 (1) upon a permanent separation from employment; or

104.30 (2) to payments from a vacation fund administered by a union or a third party not under  
 104.31 the control of the employer.

105.1 Payments under this ~~paragraph~~ subdivision are applied to the period immediately  
105.2 following the ~~temporary, indefinite, or seasonal separation.~~ later of the date of separation  
105.3 from employment or the date the applicant first becomes aware that the employer will be  
105.4 making a payment. The date the payment is actually made or received, or that an applicant  
105.5 must agree to a release of claims, does not affect the application of this paragraph.

105.6 (b) This subdivision applies to all the weeks of payment. The weeks of payment is  
105.7 determined as follows:

105.8 (1) if the payments are made periodically, the total of the payments to be received is  
105.9 divided by the applicant's last level of regular weekly pay from the employer; or

105.10 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level  
105.11 of regular weekly pay from the employer.

105.12 The "last level of regular weekly pay" includes commissions, bonuses, and overtime  
105.13 pay if that is part of the applicant's ongoing regular compensation.

105.14 (c) Under this subdivision, if the payment with respect to a week is equal to or more  
105.15 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
105.16 benefits for that week. If the payment with respect to a week is less than the applicant's  
105.17 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
105.18 of the payment.

105.19 ~~(b)~~ (d) An applicant is not eligible to receive unemployment benefits for any week the  
105.20 applicant is receiving, has received, or will receive severance pay, bonus pay, or any other  
105.21 payments paid by an employer because of, upon, or after separation from employment.

105.22 This paragraph only applies if the payment is:

105.23 (1) considered wages under section 268.035, subdivision 29; or

105.24 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
105.25 Security and Medicare.

105.26 Payments under this paragraph are applied to the period immediately following the later  
105.27 of the date of separation from employment or the date the applicant first becomes aware  
105.28 that the employer will be making a payment. The date the payment is actually made or  
105.29 received, or that an applicant must agree to a release of claims, does not affect the application  
105.30 of this paragraph.

105.31 This paragraph does not apply to earnings under subdivision 5, back pay under  
105.32 subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).

106.1 (e) Paragraph (a) applies to all the weeks of payment. The weeks of payment is determined  
 106.2 in accordance with subdivision 3, paragraph (b).

106.3 (f) Under this subdivision, if the payment with respect to a week is equal to or more than  
 106.4 the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits  
 106.5 for that week. If the payment with respect to a week is less than the applicant's weekly  
 106.6 unemployment benefit amount, unemployment benefits are reduced by the amount of the  
 106.7 payment.

106.8 ~~(e)~~ (g) An applicant is not eligible to receive unemployment benefits for any week the  
 106.9 applicant is receiving, has received, will receive, or has applied for pension, retirement, or  
 106.10 annuity payments from any plan contributed to by a base period employer including the  
 106.11 United States government. The base period employer is considered to have contributed to  
 106.12 the plan if the contribution is excluded from the definition of wages under section 268.035,  
 106.13 subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an  
 106.14 applicant is not considered to have received a payment if:

106.15 (1) the applicant immediately deposits that payment in a qualified pension plan or  
 106.16 account; or

106.17 (2) that payment is an early distribution for which the applicant paid an early distribution  
 106.18 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

106.19 This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.

106.20 ~~(d)~~ (h) This subdivision applies to all the weeks of payment. ~~The number of weeks of~~  
 106.21 ~~payment is determined as follows:~~

106.22 ~~(1) if the payments are made periodically, the total of the payments to be received is~~  
 106.23 ~~divided by the applicant's last level of regular weekly pay from the employer; or~~

106.24 ~~(2)~~ If the payment is made in a lump sum, that sum is divided by the applicant's last  
 106.25 level of regular weekly pay from the employer to determine the weeks of payment.

106.26 For purposes of this ~~paragraph~~ subdivision, the "last level of regular weekly pay" includes  
 106.27 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular  
 106.28 compensation.

106.29 ~~(e)~~ (i) Under this subdivision, if the payment with respect to a week is equal to or more  
 106.30 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
 106.31 benefits for that week. If the payment with respect to a week is less than the applicant's  
 106.32 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
 106.33 of the payment.

107.1 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 3a, is amended to read:

107.2 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant  
107.3 is not eligible to receive unemployment benefits for any week in which the applicant is  
107.4 receiving or has received compensation for loss of wages equal to or in excess of the  
107.5 applicant's weekly unemployment benefit amount under:

107.6 (1) the workers' compensation law of this state;

107.7 (2) the workers' compensation law of any other state or similar federal law; or

107.8 (3) any insurance or trust fund paid in whole or in part by an employer.

107.9 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
107.10 wages under paragraph (a); however, before unemployment benefits may be paid when a  
107.11 claim is pending, the issue of the applicant being available for suitable employment, as  
107.12 required under subdivision 1, clause (4), ~~is~~ must be determined under section 268.101,  
107.13 subdivision 2. If the applicant later receives compensation as a result of the pending claim,  
107.14 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits  
107.15 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~  
107.16 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

107.17 (c) If the amount of compensation described under paragraph (a) for any week is less  
107.18 than the applicant's weekly unemployment benefit amount, unemployment benefits requested  
107.19 for that week are reduced by the amount of that compensation payment.

107.20 Sec. 7. Minnesota Statutes 2017 Supplement, section 268.085, subdivision 13a, is amended  
107.21 to read:

107.22 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is  
107.23 ineligible for unemployment benefits for the duration of the leave of absence. An applicant  
107.24 on an involuntary leave of absence is not ineligible under this subdivision.

107.25 A leave of absence is voluntary when work that the applicant can then perform is available  
107.26 with the applicant's employer but the applicant chooses not to work. A medical leave of  
107.27 absence is not presumed to be voluntary.

107.28 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave  
107.29 of absence. A vacation period assigned by an employer under: (1) a uniform vacation  
107.30 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is  
107.31 an involuntary leave of absence.

108.1 (c) A leave of absence is a temporary stopping of work that has been approved by the  
 108.2 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~  
 108.3 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to  
 108.4 a leave of absence.

108.5 (d) An applicant who is on a paid leave of absence, whether the leave of absence is  
 108.6 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the  
 108.7 leave.

108.8 (e) This subdivision applies to a leave of absence from a base period employer, an  
 108.9 employer during the period between the end of the base period and the effective date of the  
 108.10 benefit account, or an employer during the benefit year.

108.11 Sec. 8. Minnesota Statutes 2017 Supplement, section 268.095, subdivision 6, is amended  
 108.12 to read:

108.13 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any  
 108.14 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

108.15 ~~(1)~~ is a serious violation of the standards of behavior the employer has the right to  
 108.16 reasonably expect of the employee; ~~or,~~

108.17 ~~(2) a substantial lack of concern for the employment.~~

108.18 (b) Regardless of paragraph (a), the following is not employment misconduct:

108.19 (1) conduct that was a consequence of the applicant's mental illness or impairment;

108.20 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

108.21 (3) simple unsatisfactory conduct;

108.22 (4) conduct an average reasonable employee would have engaged in under the  
 108.23 circumstances;

108.24 (5) conduct that was a consequence of the applicant's inability or incapacity;

108.25 (6) good faith errors in judgment if judgment was required;

108.26 (7) absence because of illness or injury of the applicant, with proper notice to the  
 108.27 employer;

108.28 (8) absence, with proper notice to the employer, in order to provide necessary care  
 108.29 because of the illness, injury, or disability of an immediate family member of the applicant;

109.1 (9) conduct that was a consequence of the applicant's chemical dependency, unless the  
 109.2 applicant was previously diagnosed chemically dependent or had treatment for chemical  
 109.3 dependency, and since that diagnosis or treatment has failed to make consistent efforts to  
 109.4 control the chemical dependency; or

109.5 (10) conduct that was a consequence of the applicant, or an immediate family member  
 109.6 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the  
 109.7 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the  
 109.8 meanings given them in subdivision 1.

109.9 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,  
 109.10 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the  
 109.11 employment is employment misconduct.

109.12 (d) If the conduct for which the applicant was discharged involved only a single incident,  
 109.13 that is an important fact that must be considered in deciding whether the conduct rises to  
 109.14 the level of employment misconduct under paragraph (a). This paragraph does not require  
 109.15 that a determination under section 268.101 or decision under section 268.105 contain a  
 109.16 specific acknowledgment or explanation that this paragraph was considered.

109.17 (e) The definition of employment misconduct provided by this subdivision is exclusive  
 109.18 and no other definition applies.

109.19 Sec. 9. Minnesota Statutes 2016, section 268.095, subdivision 6a, is amended to read:

109.20 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~  
 109.21 ~~section, "aggravated employment misconduct" means:~~

109.22 ~~(1)~~ The commission of any act, on the job or off the job, that would amount to a gross  
 109.23 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~  
 109.24 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or.~~

109.25 A criminal charge or conviction is not necessary to determine aggravated employment  
 109.26 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or  
 109.27 felony, the applicant is presumed to have committed the act.

109.28 ~~(2)~~ (b) For an employee of a facility as defined in section 626.5572, aggravated  
 109.29 employment misconduct includes an act of patient or resident abuse, financial exploitation,  
 109.30 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

109.31 ~~(b)~~ If an applicant is convicted of a gross misdemeanor or felony for the same act for  
 109.32 which the applicant was discharged, it is ~~aggravated employment misconduct~~ if the act

110.1 ~~substantially interfered with the employment or had a significant adverse effect on the~~  
 110.2 ~~employment.~~

110.3 (c) The definition of aggravated employment misconduct provided by this subdivision  
 110.4 is exclusive and no other definition applies.

## 110.5 ARTICLE 12

### 110.6 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL

110.7 Section 1. Minnesota Statutes 2016, section 268.044, subdivision 3, is amended to read:

110.8 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage  
 110.9 detail report, but fails to include all required employee information or enters erroneous  
 110.10 information, is subject to an administrative service fee of \$25 for each employee for whom  
 110.11 the information is partially missing or erroneous.

110.12 (b) Any employer that submits the wage detail report, but fails to include an employee,  
 110.13 is subject to an administrative service fee equal to two percent of the total wages for each  
 110.14 employee for whom the information is completely missing.

110.15 (c) An administrative service fee under this subdivision must be canceled under section  
 110.16 268.067 if the commissioner determines that the failure or error by the employer occurred  
 110.17 because of ignorance or inadvertence.

110.18 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.046, subdivision 1, is amended  
 110.19 to read:

110.20 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying  
 110.21 employer to have that person obtain the taxpaying employer's workforce and provide workers  
 110.22 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for  
 110.23 the duration of the contract the taxpaying employer's account under section 268.045. That  
 110.24 tax account must be maintained by the person separate and distinct from every other tax  
 110.25 account held by the person and identified in a manner prescribed by the commissioner. The  
 110.26 tax account is, for the duration of the contract, considered that person's account for all  
 110.27 purposes of this chapter. The workers obtained from the taxpaying employer and any other  
 110.28 workers provided by that person to the taxpaying employer, including officers of the  
 110.29 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose  
 110.30 wages paid by the person are considered paid in covered employment under section 268.035,  
 110.31 subdivision 24, for the duration of the contract between the taxpaying employer and the  
 110.32 person, must, under section 268.044, be reported on the wage detail report under that tax

111.1 account, and that person must pay any taxes due at the tax rate computed for that account  
 111.2 under section 268.051, subdivision 2.

111.3 (b) Any workers of the taxpaying employer who are not covered by the contract under  
 111.4 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage  
 111.5 detail report under the tax account assigned under paragraph (a). Taxes and any other  
 111.6 amounts due on the wages reported by the taxpaying employer under this paragraph may  
 111.7 be paid directly by the taxpaying employer.

111.8 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not  
 111.9 have a tax account at the time of the execution of the contract, an account must be registered  
 111.10 for the taxpaying employer under section 268.042 and the new employer tax rate under  
 111.11 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the  
 111.12 person as provided for in paragraph (a).

111.13 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within  
 111.14 30 calendar days of the execution or termination of a contract, notify the commissioner by  
 111.15 electronic transmission, in a format prescribed by the commissioner, of that execution or  
 111.16 termination. The taxpaying employer's name, the account number assigned, and any other  
 111.17 information required by the commissioner must be provided by that person.

111.18 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer  
 111.19 of the assignment of the tax account under this section and the taxpaying employer's  
 111.20 obligation under paragraph (b). If there is a termination of the contract, the tax account is,  
 111.21 as of the date of termination, immediately assigned to the taxpaying employer.

111.22 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 3, is amended to read:

111.23 Subd. 3. **Computation of a taxpaying employer's experience rating.** (a) On or before  
 111.24 each December 15, the commissioner must compute an experience rating for each taxpaying  
 111.25 employer who has ~~been required to file~~ filed wage detail reports for the ~~12~~ four calendar  
 111.26 ~~months~~ quarters ending on the prior June 30. The experience rating computed is applicable  
 111.27 for the following calendar year.

111.28 The experience rating is the ratio obtained by dividing 125 percent of the total  
 111.29 unemployment benefits required under section 268.047 to be used in computing the  
 111.30 employer's tax rate during the ~~48~~ 16 calendar ~~months~~ quarters ending on the prior June 30,  
 111.31 by the employer's total taxable payroll for that same period.

111.32 (b) The experience rating is computed to the nearest one-hundredth of a percent, to a  
 111.33 maximum of 8.90 percent.

112.1 (c) The use of 125 percent of unemployment benefits paid under paragraph (a), rather  
 112.2 than 100 percent of the amount of unemployment benefits paid, is done in order for the trust  
 112.3 fund to recover from all taxpaying employers a portion of the costs of unemployment benefits  
 112.4 paid that do not affect any individual employer's future experience rating because of the  
 112.5 reasons set out in subdivision 2, paragraph (f).

112.6 Sec. 4. Minnesota Statutes 2016, section 268.053, subdivision 1, is amended to read:

112.7 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered  
 112.8 employment must pay taxes on a quarterly basis in accordance with section 268.051 unless  
 112.9 it elects to make reimbursements to the trust fund the amount of unemployment benefits  
 112.10 charged to its reimbursable account under section 268.047.

112.11 The organization may elect to make reimbursements for a period of not less than 24  
 112.12 calendar months beginning with the date that the organization was determined to be an  
 112.13 employer with covered employment by filing a notice of election not later than 30 calendar  
 112.14 days after the date of the determination.

112.15 (b) Any nonprofit organization that makes an election will continue to be liable for  
 112.16 reimbursements until it files a notice terminating its election before the beginning of the  
 112.17 calendar quarter the termination is to be effective.

112.18 A nonprofit organization that has been making reimbursements that files a notice of  
 112.19 termination of election must be assigned the new employer tax rate under section 268.051,  
 112.20 subdivision 5, until it qualifies for an experience rating under section 268.051, subdivision  
 112.21 3.

112.22 (c) Any nonprofit organization that has been paying taxes may elect to make  
 112.23 reimbursements by filing a notice of election. The election is effective at the beginning of  
 112.24 the next calendar quarter. The election is not terminable by the organization for 24 calendar  
 112.25 months.

112.26 ~~(d) The commissioner may for good cause extend the period that a notice of election,~~  
 112.27 ~~or a notice of termination, must be filed and may permit an election to be retroactive.~~

112.28 ~~(e)~~ (d) A notice of election or notice terminating election must be filed by electronic  
 112.29 transmission in a format prescribed by the commissioner.

112.30 Sec. 5. Minnesota Statutes 2016, section 268.066, is amended to read:

112.31 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

113.1 (a) The commissioner must cancel as uncollectible any amounts due from an employer  
 113.2 under this chapter or section 116L.20, that remain unpaid six years after the amounts have  
 113.3 been first determined due, except where the delinquent amounts are secured by a notice of  
 113.4 lien, a judgment, are in the process of garnishment, or are under a payment plan.

113.5 (b) The commissioner may cancel at any time as uncollectible any amount due, or any  
 113.6 portion of an amount due, from an employer under this chapter or section 116L.20, that (1)  
 113.7 are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department  
 113.8 of Revenue under section 16D.04 was unable to collect.

113.9 ~~(c) The commissioner may cancel at any time any interest, penalties, or fees due from~~  
 113.10 ~~an employer, or any portions due, if the commissioner determines that it is not in the public~~  
 113.11 ~~interest to pursue collection of the amount due. This paragraph does not apply to~~  
 113.12 ~~unemployment insurance taxes or reimbursements due.~~

113.13 Sec. 6. Minnesota Statutes 2016, section 268.067, is amended to read:

113.14 **268.067 COMPROMISE.**

113.15 (a) The commissioner may compromise in whole or in part any action, determination,  
 113.16 or decision that affects only an employer and not an applicant. This paragraph applies if it  
 113.17 is determined by a court of law, or a confession of judgment, that an applicant, while  
 113.18 employed, wrongfully took from the employer \$500 or more in money or property.

113.19 (b) The commissioner may at any time compromise any unemployment insurance tax  
 113.20 ~~or~~ reimbursement, interest, penalty, fee, costs, or any other amount due from an employer  
 113.21 under this chapter or section 116L.20.

113.22 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney  
 113.23 licensed to practice law in Minnesota who is an employee of the department designated by  
 113.24 the commissioner for that purpose.

113.25 (d) Any compromise must be in the best interest of the state of Minnesota.

113.26 Sec. 7. Minnesota Statutes 2016, section 268.069, subdivision 1, is amended to read:

113.27 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits  
 113.28 from the trust fund to an applicant who has met each of the following requirements:

113.29 (1) the applicant has filed an application for unemployment benefits and established a  
 113.30 benefit account in accordance with section 268.07;

114.1 (2) the applicant has not been held ineligible for unemployment benefits under section  
114.2 268.095 because of a quit or discharge;

114.3 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

114.4 (4) the applicant does not have an outstanding overpayment of unemployment benefits,  
114.5 including any penalties or interest; and

114.6 (5) the applicant has not been held ineligible for unemployment benefits under section  
114.7 ~~268.182 because of a false representation or concealment of facts~~ 268.183.

114.8 Sec. 8. Minnesota Statutes 2016, section 268.105, subdivision 6, is amended to read:

114.9 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an  
114.10 applicant or employer may be represented by any authorized representative.

114.11 Except for services provided by an attorney-at-law, no person may charge an applicant  
114.12 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on  
114.13 reconsideration, or in a proceeding under subdivision 7.

114.14 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a  
114.15 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the  
114.16 Supreme Court of Minnesota.

114.17 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the  
114.18 department as a result of any proceedings under this section.

114.19 Sec. 9. Minnesota Statutes 2016, section 268.145, subdivision 1, is amended to read:

114.20 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,  
114.21 the applicant must be informed that:

114.22 (1) unemployment benefits are subject to federal and state income tax;

114.23 (2) there are requirements for filing estimated tax payments;

114.24 (3) the applicant may elect to have federal income tax withheld from unemployment  
114.25 benefits;

114.26 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
114.27 addition, elect to have Minnesota state income tax withheld; and

114.28 (5) at any time during the benefit year the applicant may change a prior election.

114.29 (b) If an applicant elects to have federal income tax withheld, the commissioner must  
114.30 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state

115.1 income tax withheld, the commissioner must make an additional five percent deduction for  
 115.2 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~  
 115.3 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.  
 115.4 Federal income tax withholding has priority over state income tax withholding.

115.5 (c) An election to have income tax withheld may not be retroactive and only applies to  
 115.6 unemployment benefits paid after the election.

115.7 Sec. 10. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 5, is amended  
 115.8 to read:

115.9 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of  
 115.10 unemployment benefits, including any penalties and interest, is not an election of a method  
 115.11 of recovery.

115.12 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter  
 115.13 under section 176.361 is not an election of a remedy and does not prevent the commissioner  
 115.14 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~  
 115.15 ~~section 268.183.~~

115.16 Sec. 11. **REVISOR'S INSTRUCTION.**

115.17 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

115.18 (1) change the term "fraud" to "misrepresentation" in sections 268.085, subdivision 2,  
 115.19 and 268.186, subdivision 1;

115.20 (2) delete the term "bona fide" wherever it appears in section 268.035;

115.21 (3) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause  
 115.22 (8);

115.23 (4) replace the term "displays clearly" with "shows" in chapter 268;

115.24 (5) replace the term "entire" with "hearing" in section 268.105;

115.25 (6) replace "24 calendar months" with "eight calendar quarters" in section 268.052,  
 115.26 subdivision 2.

115.27 Sec. 12. **REPEALER.**

115.28 Minnesota Statutes 2016, section 268.053, subdivisions 4 and 5, are repealed.



117.1	<u>Subd. 3. Watershed</u>		<u>0</u>	<u>300,000</u>
117.2	<u>\$300,000 the second year is from the</u>			
117.3	<u>environmental fund for a grant to the</u>			
117.4	<u>Minnesota Association of County Feedlot</u>			
117.5	<u>Officers to develop, in coordination with the</u>			
117.6	<u>Pollution Control Agency and the University</u>			
117.7	<u>of Minnesota Extension program, an online</u>			
117.8	<u>training curriculum related to animal feedlot</u>			
117.9	<u>requirements under Minnesota Rules, chapter</u>			
117.10	<u>7020. The curriculum must be developed to:</u>			
117.11	<u>(1) provide base-level knowledge to new and</u>			
117.12	<u>existing county feedlot pollution control</u>			
117.13	<u>officers on feedlot registration, permitting,</u>			
117.14	<u>compliance, enforcement, and program</u>			
117.15	<u>administration;</u>			
117.16	<u>(2) provide assistance to new and existing</u>			
117.17	<u>county feedlot pollution control officers for</u>			
117.18	<u>working efficiently and effectively with</u>			
117.19	<u>producers; and</u>			
117.20	<u>(3) reduce the incidence of manure or nutrients</u>			
117.21	<u>entering surface water or groundwater.</u>			
117.22	<u>This is a onetime appropriation and is</u>			
117.23	<u>available until June 30, 2020.</u>			
117.24	<b>Sec. 3. <u>NATURAL RESOURCES.</u></b>			
117.25	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 3,382,000</u></b>
117.26	<u>Appropriations by Fund</u>			
117.27		<u>2018</u>	<u>2019</u>	
117.28	<u>General</u>	<u>-0-</u>	<u>(1,081,000)</u>	
117.29	<u>Natural Resources</u>	<u>-0-</u>	<u>2,403,000</u>	
117.30	<u>Game and Fish</u>	<u>-0-</u>	<u>2,060,000</u>	

118.1	<b><u>Subd. 2. Lands and Minerals Management</u></b>	<u>-0-</u>	<u>625,000</u>
118.2	<u>(a) \$425,000 the second year is for aggregate</u>		
118.3	<u>mapping. This is a onetime appropriation and</u>		
118.4	<u>is available until June 30, 2020.</u>		
118.5	<u>(b) \$200,000 the second year is to expand</u>		
118.6	<u>monitoring and modeling of water levels in</u>		
118.7	<u>the Canisteo and Arcturus to Hill Annex</u>		
118.8	<u>open-pit mine groups, with priority on the</u>		
118.9	<u>latter. The monitoring and modeling results</u>		
118.10	<u>must be used by the commissioner to develop</u>		
118.11	<u>plans to control and reduce the water levels in</u>		
118.12	<u>each pit group and ameliorate, mitigate, or</u>		
118.13	<u>eliminate the public safety hazards resulting</u>		
118.14	<u>from rising water in both open-pit groups. This</u>		
118.15	<u>is a onetime appropriation.</u>		
118.16	<b><u>Subd. 3. Ecological and Water Resources</u></b>	<u>-0-</u>	<u>(475,000)</u>
118.17	<u>(a) \$425,000 the second year is for grants to</u>		
118.18	<u>lake associations to manage aquatic invasive</u>		
118.19	<u>species, including grants for projects to control</u>		
118.20	<u>and provide public awareness of aquatic</u>		
118.21	<u>invasive species and for watercraft inspections</u>		
118.22	<u>in partnership with local units of government.</u>		
118.23	<u>This is a onetime appropriation.</u>		
118.24	<u>(b) \$1,000,000 the second year is a reduction</u>		
118.25	<u>from the general fund for water monitoring</u>		
118.26	<u>and compliance.</u>		
118.27	<u>(c) \$100,000 the second year is from the</u>		
118.28	<u>heritage enhancement account in the game and</u>		
118.29	<u>fish fund for a grant to the Board of Regents</u>		
118.30	<u>of the University of Minnesota to conduct a</u>		
118.31	<u>statewide survey and analysis of Minnesotans'</u>		
118.32	<u>attitude toward fish stocking. The survey must</u>		
118.33	<u>include a representative sample of</u>		
118.34	<u>Minnesotans from all regions of the state and</u>		

119.1 must examine Minnesotans' attitudes toward  
 119.2 the stocking of each fish species that is or has  
 119.3 been stocked by the Department of Natural  
 119.4 Resources. The Board of Regents must report  
 119.5 the results of the survey and analysis to the  
 119.6 chairs and ranking minority members of the  
 119.7 legislative committees with jurisdiction over  
 119.8 environment and natural resources finance no  
 119.9 later than March 1, 2020. The report must  
 119.10 include data about the amount spent on  
 119.11 stocking each fish species. This is a onetime  
 119.12 appropriation.

119.13 **Subd. 4. Forest Management**

-0-

(131,000)

119.14 (a) \$1,131,000 the second year is a reduction  
 119.15 to the general fund for the Next Generation  
 119.16 Core Forestry data system.

119.17 (b) \$1,000,000 the second year is from the  
 119.18 forest management investment account in the  
 119.19 natural resources fund for the Next Generation  
 119.20 Core Forestry data system. The appropriation  
 119.21 is available until June 30, 2021.

119.22 **Subd. 5. Parks and Trails**

-0-

1,363,000

119.23 (a) \$100,000 the second year is from the  
 119.24 all-terrain vehicle account in the natural  
 119.25 resources fund to the commissioner of natural  
 119.26 resources for a grant to the city of Virginia to  
 119.27 develop, in cooperation with the Quad Cities  
 119.28 ATV Club, an all-terrain vehicle trail system  
 119.29 in the cities of Virginia, Eveleth, Gilbert, and  
 119.30 Mountain Iron and surrounding areas. This is  
 119.31 a onetime appropriation and is available until  
 119.32 June 30, 2021.

119.33 (b) \$150,000 the second year is from the  
 119.34 off-road vehicle account for a contract to assist

120.1 the commissioner in planning, designing, and  
120.2 providing a system of state touring routes for  
120.3 off-road vehicles by identifying sustainable,  
120.4 legal routes suitable for licensed four-wheel  
120.5 drive vehicles and a system of recreational  
120.6 trails for registered off-road vehicles. This is  
120.7 a onetime appropriation and is available until  
120.8 June 30, 2019.

120.9 (c) \$200,000 the second year is from the  
120.10 off-road vehicle account in the natural  
120.11 resources fund for a contract to prepare a  
120.12 comprehensive, statewide, strategic master  
120.13 plan for trails for off-road vehicles. The master  
120.14 plan must be consistent with federal, tribal,  
120.15 state, and local law and regulations. The  
120.16 commissioner must consult with the Minnesota  
120.17 Four Wheel Drive Association in developing  
120.18 contract criteria. This is a onetime  
120.19 appropriation and is available until June 30,  
120.20 2019.

120.21 (d) \$200,000 the second year is from the  
120.22 off-road vehicle account in the natural  
120.23 resources fund to share the cost by reimbursing  
120.24 federal, state, county, and township entities  
120.25 for additional needs on forest roads when the  
120.26 needs are a result of increased use by off-road  
120.27 vehicles and are attributable to a  
120.28 border-to-border touring route established by  
120.29 the commissioner. This section does apply to  
120.30 roads that are operated by a public road  
120.31 authority as defined in Minnesota Statutes,  
120.32 section 160.02, subdivision 25. This is a  
120.33 onetime appropriation and is available until  
120.34 June 30, 2021. To be eligible for

121.1 reimbursement under this paragraph, the  
121.2 claimant must demonstrate that:  
121.3 (1) the needs result from additional traffic  
121.4 generated by the border-to-border touring  
121.5 route; and  
121.6 (2) increased use attributable to a  
121.7 border-to-border touring route has caused at  
121.8 least a 50 percent increase in maintenance  
121.9 costs for forest roads under the claimant's  
121.10 jurisdiction, based on a ten-year maintenance  
121.11 average.  
121.12 Before reimbursing a claim under this  
121.13 paragraph, the commissioner must consider  
121.14 whether the claim is consistent with claims  
121.15 made by other entities that administer forest  
121.16 roads on the touring route, in terms of the  
121.17 amount requested for reimbursement and the  
121.18 frequency of claims made.  
121.19 (e) \$313,000 the second year is from the  
121.20 natural resources fund for a grant to St. Louis  
121.21 County as a match to a state bonding grant for  
121.22 trail and bridge construction and for a  
121.23 maintenance fund for a five-mile segment of  
121.24 the Voyageur Country ATV trail system,  
121.25 including a multiuse bridge over the Vermilion  
121.26 River that would serve ATVs, snowmobiles,  
121.27 off-road vehicles, off-highway motorcycles,  
121.28 and emergency vehicles in St. Louis County.  
121.29 Of this amount, \$285,000 is from the  
121.30 all-terrain vehicle account, \$14,000 is from  
121.31 the off-road vehicle account, and \$14,000 is  
121.32 from the off-highway motorcycle account.  
121.33 This is a onetime appropriation and is  
121.34 available until June 30, 2021.

122.1 (f) \$300,000 the second year is from the  
 122.2 natural resources fund for a grant to Lake  
 122.3 County to match other funding sources to  
 122.4 develop the Prospectors Loop trail system. Of  
 122.5 this amount, \$270,000 is from the all-terrain  
 122.6 vehicle account, \$15,000 is from the  
 122.7 off-highway motorcycle account, and \$15,000  
 122.8 is from the off-road vehicle account. This is  
 122.9 a onetime appropriation and is available until  
 122.10 June 30, 2021.

122.11 (g) \$100,000 the second year is from the  
 122.12 all-terrain vehicle account in the natural  
 122.13 resources fund for wetland delineation and  
 122.14 work on an environmental assessment  
 122.15 worksheet for the Taconite State Trail from  
 122.16 Ely to Tower consistent with the 2017  
 122.17 Taconite State Trail Master Plan. This is a  
 122.18 onetime appropriation and is available until  
 122.19 June 30, 2021.

122.20 **Subd. 6. Fish and Wildlife Management** -0- 1,960,000

122.21 (a) \$7,146,000 the second year is a reduction  
 122.22 from the operations account in the game and  
 122.23 fish fund.

122.24 (b) \$8,606,000 the second year is from the  
 122.25 deer management account in the game and  
 122.26 fish fund.

122.27 (c) Notwithstanding Minnesota Statutes,  
 122.28 section 297A.94, \$500,000 the second year is  
 122.29 from the heritage enhancement account in the  
 122.30 game and fish fund for planning and  
 122.31 emergency response to disease outbreaks in  
 122.32 wildlife. This is a onetime appropriation and  
 122.33 is available until June 30, 2020.

123.1 (d) The commissioner may use up to \$7,000  
123.2 of the amount appropriated from the general  
123.3 fund in Laws 2017, chapter 93, article 1,  
123.4 section 3, subdivision 8, to cover the cost of:  
123.5 (1) the redesign of the printed and digital  
123.6 versions of fishing regulations and hunting  
123.7 and trapping regulations; and (2) the  
123.8 reprogramming of the electronic licensing  
123.9 system, to conform to the requirements of  
123.10 providing voter registration information under  
123.11 Minnesota Statutes, section 97A.409.

123.12 **Subd. 7. Enforcement** -0- 40,000

123.13 \$40,000 the second year is from the all-terrain  
123.14 vehicle account in the natural resources fund  
123.15 for the development and implementation of  
123.16 safety coursework for younger riders. This is  
123.17 a onetime appropriation.

123.18 **Subd. 8. Cancellation**

123.19 On July 1, 2018, \$492,000 is canceled to the  
123.20 general fund from the amount appropriated  
123.21 for legal costs under Laws 2017, chapter 93,  
123.22 article 1, section 3, subdivision 8.

123.23 **Sec. 4. BOARD OF WATER AND SOIL**  
123.24 **RESOURCES.** \$ -0- \$ 650,000

123.25 (a) \$600,000 the second year is for a grant to  
123.26 the Alexandria Lake Area Sanitary District  
123.27 for lake management activities, including but  
123.28 not limited to alum treatment in Lake Agnes,  
123.29 carp removal in Lake Winona, and related  
123.30 management and reassessment measures that  
123.31 are intended to achieve and maintain  
123.32 compliance with water quality standards for  
123.33 phosphorus and the total maximum daily load  
123.34 for Lake Winona. This is a onetime



125.1 Sec. 7. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

125.2 Subd. 5. **Parks and Trails Management** -0- 6,459,000

125.3 Appropriations by Fund

125.4		2016	2017
125.5	General	-0-	2,929,000
125.6	Natural Resources	-0-	3,530,000

125.7 \$2,800,000 the second year is a onetime  
125.8 appropriation.

125.9 \$2,300,000 the second year is from the state  
125.10 parks account in the natural resources fund.

125.11 Of this amount, \$1,300,000 is onetime, of  
125.12 which \$1,150,000 is for strategic park  
125.13 acquisition.

125.14 \$20,000 the second year is from the natural  
125.15 resources fund to design and erect signs  
125.16 marking the David Dill trail designated in this  
125.17 act. Of this amount, \$10,000 is from the  
125.18 snowmobile trails and enforcement account  
125.19 and \$10,000 is from the all-terrain vehicle  
125.20 account. This is a onetime appropriation.

125.21 \$100,000 the second year is for the  
125.22 improvement of the infrastructure for sanitary  
125.23 sewer service at the Woodenfrog Campground  
125.24 in Kabetogama State Forest. This is a onetime  
125.25 appropriation.

125.26 \$29,000 the second year is for computer  
125.27 programming related to the transfer-on-death  
125.28 title changes for watercraft. This is a onetime  
125.29 appropriation.

125.30 \$210,000 the first year is from the water  
125.31 recreation account in the natural resources  
125.32 fund for implementation of Minnesota  
125.33 Statutes, section 86B.532, established in this  
125.34 act. This is a onetime appropriation. The

126.1 commissioner of natural resources shall seek  
 126.2 federal and other nonstate funds to reimburse  
 126.3 the department for the initial costs of  
 126.4 producing and distributing carbon monoxide  
 126.5 boat warning labels. All amounts collected  
 126.6 under this paragraph shall be deposited into  
 126.7 the water recreation account.

126.8 \$1,000,000 the second year is from the natural  
 126.9 resources fund for a grant to Lake County for  
 126.10 construction, including bridges, of the  
 126.11 Prospectors ATV Trail System linking the  
 126.12 communities of Ely, Babbitt, Embarrass, and  
 126.13 Tower; Bear Head Lake and Lake  
 126.14 Vermilion-Soudan Underground Mine State  
 126.15 Parks; the Taconite State Trail; and the Lake  
 126.16 County Regional ATV Trail System. Of this  
 126.17 amount, \$900,000 is from the all-terrain  
 126.18 vehicle account, \$50,000 is from the  
 126.19 off-highway motorcycle account, and \$50,000  
 126.20 is from the off-road vehicle account. This is  
 126.21 a onetime appropriation and is available until  
 126.22 June 30, 2019.

126.23 **ARTICLE 14**

126.24 **ENVIRONMENT AND NATURAL RESOURCES POLICY**

126.25 Section 1. **[11A.236] ACCOUNT FOR INVESTMENT OF PERMIT TO MINE**  
 126.26 **FINANCIAL ASSURANCE MONEY.**

126.27 Subdivision 1. Establishment; appropriation. (a) The State Board of Investment, when  
 126.28 requested by the commissioner of natural resources, may invest money collected by the  
 126.29 commissioner as part of financial assurance provided under a permit to mine issued under  
 126.30 chapter 93. The State Board of Investment may establish one or more accounts into which  
 126.31 money may be deposited for the purposes of this section, subject to the policies and  
 126.32 procedures of the State Board of Investment. Use of any money in the account shall be  
 126.33 restricted to the financial assurance purposes identified in sections 93.46 to 93.51, and rules

127.1 adopted thereunder, and as authorized under any trust fund agreements or other conditions  
 127.2 established under a permit to mine.

127.3 (b) Money in the accounts is appropriated to the commissioner for the purposes for  
 127.4 which the account is established under this section.

127.5 Subd. 2. **Account maintenance and investment.** The commissioner of natural resources  
 127.6 may deposit money in the appropriate account and may withdraw money from the appropriate  
 127.7 account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules  
 127.8 adopted thereunder and as authorized under any trust fund agreements or other conditions  
 127.9 established under the permit to mine for which the financial assurance is provided, subject  
 127.10 to the policies and procedures of the State Board of Investment. Investment strategies related  
 127.11 to an account established under this section must be determined jointly by the commissioner  
 127.12 of natural resources and the executive director of the State Board of Investment. The  
 127.13 authorized investments for an account shall be the investments authorized under section  
 127.14 11A.24 that are made available for investment by the State Board of Investment. Investment  
 127.15 transactions must be at a time and in a manner determined by the executive director of the  
 127.16 State Board of Investment. Decisions to withdraw money from the account must be  
 127.17 determined by the commissioner of natural resources, subject to the policies and procedures  
 127.18 of the State Board of Investment. Investment earnings must be credited to the appropriate  
 127.19 account for financial assurance under the identified permit to mine. An account may be  
 127.20 terminated by the commissioner of natural resources at any time, so long as the termination  
 127.21 is in accordance with applicable statutes, rules, trust fund agreements, or other conditions  
 127.22 established under the permit to mine, subject to the policies and procedures of the State  
 127.23 Board of Investment.

127.24 Sec. 2. Minnesota Statutes 2016, section 17.494, is amended to read:

127.25 **17.494 AQUACULTURE PERMITS; RULES.**

127.26 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and  
 127.27 shall assist aquatic farmers to obtain licenses or permits.

127.28 ~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture  
 127.29 shall consolidate the permits or licenses required for every aquatic farm location. The  
 127.30 Department of Natural Resources transportation permits are exempt from this requirement.  
 127.31 State agencies shall adopt rules or issue commissioner's orders that establish permit and  
 127.32 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,  
 127.33 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined

128.1 in section 17.4982, must be classified as agricultural operations for purposes of any  
128.2 construction, discharge, or other permit issued by the Pollution Control Agency.

128.3 Nothing in this section modifies any state agency's regulatory authority over aquaculture  
128.4 production.

128.5 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
128.6 read:

128.7 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial  
128.8 propagation and rearing of saltwater aquatic life, including, but not limited to, crustaceans,  
128.9 primarily for consumption as human food.

128.10 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
128.11 read:

128.12 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for  
128.13 saltwater aquaculture, including, but not limited to, artificial ponds, vats, tanks, raceways,  
128.14 and other facilities that an aquatic farmer owns or has exclusive control of for the sole  
128.15 purpose of producing saltwater aquatic life.

128.16 Sec. 5. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
128.17 read:

128.18 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that  
128.19 are saltwater obligates or perform optimally when raised in salinities closer to that of natural  
128.20 seawater and need saltwater to survive.

128.21 Sec. 6. [17.499] **TRANSPORTATION OR IMPORTATION OF SALTWATER**  
128.22 **AQUATIC LIFE; QUARANTINE REQUIREMENT.**

128.23 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase  
128.24 private saltwater aquaculture production and processing in this state under the coordination  
128.25 of the commissioner of agriculture. Additional private production will reduce dependence  
128.26 on foreign suppliers and benefit the rural economy by creating new jobs and economic  
128.27 activity.

128.28 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section  
128.29 17.4985, saltwater aquatic life transportation and importation requirements are governed  
128.30 by this section. A transportation permit is required prior to any importation or intrastate  
128.31 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation

129.1 permit may be used for multiple shipments within the 30-day term of the permit if the source  
129.2 and the destination remain the same. Transportation permits must be obtained from the  
129.3 commissioner prior to shipment of saltwater aquatic life.

129.4 (b) An application for a transportation permit must be made in the form required by the  
129.5 commissioner. The commissioner may reject an incomplete application.

129.6 (c) An application for a transportation permit must be accompanied by satisfactory  
129.7 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous  
129.8 species of animal other than the saltwater aquatic species and either:

129.9 (1) the facility from which the saltwater aquatic life originated has provided  
129.10 documentation of 36 or more consecutive months of negative testing by an approved  
129.11 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health  
129.12 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health  
129.13 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;  
129.14 or

129.15 (2) the saltwater aquatic life to be imported or transported includes documentation of  
129.16 negative testing for that specific lot by an approved laboratory as free of any disease listed  
129.17 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish  
129.18 Health Blue Book for other species, as appropriate.

129.19 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic  
129.20 life that originated in a foreign country, the shipment must be quarantined at the receiving  
129.21 facility according to a quarantine plan approved by the commissioner. A shipment authorized  
129.22 by the commissioner under clause (2) must be quarantined at the receiving facility according  
129.23 to a quarantine plan approved by the commissioner.

129.24 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved  
129.25 by the commissioner or the United States Department of Agriculture, Animal and Plant  
129.26 Health Inspection Services.

129.27 (e) No later than 14 calendar days after a completed transportation permit application  
129.28 is received, the commissioner must approve or deny the transportation permit application.

129.29 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic  
129.30 life while in transit and must be available for inspection by the commissioner.

129.31 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the  
129.32 license number and the licensee's name and town of residence as it appears on the license.  
129.33 A vehicle used by a licensee must have identification displayed so that it is readily visible

130.1 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and  
 130.2 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed  
 130.3 on removable plates or placards placed on opposite doors of the vehicle or on the tanks  
 130.4 carried on the vehicle.

130.5 (h) An application to license a vehicle for brood stock or larvae transport or for use as  
 130.6 a saltwater aquatic life vendor that is received by the commissioner is a temporary license  
 130.7 until approved or denied by the commissioner.

130.8 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import  
 130.9 saltwater aquatic life:

130.10 (1) previously processed for use as food or other purposes unrelated to propagation;

130.11 (2) transported directly to an outlet for processing as food or for other food purposes if  
 130.12 accompanied by shipping documents;

130.13 (3) that is being exported if accompanied by shipping documents;

130.14 (4) that is being transported through the state if accompanied by shipping documents;

130.15 or

130.16 (5) transported intrastate within or between facilities licensed for saltwater aquaculture  
 130.17 by the commissioner if accompanied by shipping documents.

130.18 (b) Shipping documents required under paragraph (a) must include the place of origin,  
 130.19 owner or consignee, destination, number, species, and satisfactory evidence, as determined  
 130.20 by the commissioner, of the disease-free certification required under subdivision 2, paragraph  
 130.21 (c), clauses (1) and (2).

130.22 Sec. 7. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended to  
 130.23 read:

130.24 Subd. 6. Legal counsel. The commissioner of natural resources may appoint attorneys  
 130.25 or outside counsel to render title opinions, represent the department in severed mineral  
 130.26 interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute  
 130.27 to the contrary, represent the state in quiet title or title registration actions affecting land or  
 130.28 interests in land administered by the commissioner and in all proceedings relating to road  
 130.29 vacations.

130.30 Sec. 8. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

130.31 Subd. 2. Application. (a) Subdivision 1 does not apply to:

131.1 (1) plants on land classified for property tax purposes as class 2a or 2c agricultural land  
 131.2 under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road  
 131.3 right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously  
 131.4 disturbed by construction or maintenance; and

131.5 (2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise  
 131.6 designated as troublesome by the Department of Agriculture.

131.7 (b) If control of noxious weeds is necessary, it takes priority over the protection of  
 131.8 endangered plant species, as long as a reasonable effort is taken to preserve the endangered  
 131.9 plant species first.

131.10 (c) The taking or killing of an endangered plant species on land adjacent to class 3 or  
 131.11 3b agricultural land as a result of the application of pesticides or other agricultural chemical  
 131.12 on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in  
 131.13 the application of the pesticide or other chemical to avoid impact on adjacent lands. For the  
 131.14 purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste  
 131.15 land, or other land for which the owner receives a state paid wetlands or native prairie tax  
 131.16 credit.

131.17 (d) The accidental taking of an endangered plant, where the existence of the plant is not  
 131.18 known at the time of the taking, is not a violation of subdivision 1.

131.19 Sec. 9. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

131.20 Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles  
 131.21 consistent with protection of the environment the commissioner of natural resources shall  
 131.22 adopt rules in the manner provided by chapter 14, for the following purposes:

131.23 (1) Registration of snowmobiles and display of registration numbers.

131.24 (2) Use of snowmobiles insofar as game and fish resources are affected.

131.25 (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.

131.26 (4) Uniform signs to be used by the state, counties, and cities, which are necessary or  
 131.27 desirable to control, direct, or regulate the operation and use of snowmobiles.

131.28 (5) Specifications relating to snowmobile mufflers.

131.29 (6) A comprehensive snowmobile information and safety education and training program,  
 131.30 including but not limited to the preparation and dissemination of snowmobile information  
 131.31 and safety advice to the public, the training of snowmobile operators, and the issuance of  
 131.32 snowmobile safety certificates to snowmobile operators who successfully complete the

132.1 snowmobile safety education and training course. For the purpose of administering such  
 132.2 program and to defray expenses of training and certifying snowmobile operators, the  
 132.3 commissioner shall collect a fee from each person who receives the youth or adult training.  
 132.4 The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for  
 132.5 issuing a duplicate snowmobile safety certificate. The commissioner shall establish both  
 132.6 fees in a manner that neither significantly overrecovers nor underrecovers costs, including  
 132.7 overhead costs, involved in providing the services. The fees are not subject to the rulemaking  
 132.8 provisions of chapter 14 and section 14.386 does not apply. The fees may be established  
 132.9 by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing  
 132.10 fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails  
 132.11 and enforcement account in the natural resources fund and the amount thereof, except for  
 132.12 the electronic licensing system commission established by the commissioner under section  
 132.13 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated  
 132.14 annually to the Enforcement Division of the Department of Natural Resources for the  
 132.15 administration of such programs. In addition to the fee established by the commissioner,  
 132.16 instructors may charge each person any fee paid by the instructor for the person's online  
 132.17 training course and up to the established fee amount for class materials and expenses. The  
 132.18 commissioner shall cooperate with private organizations and associations, private and public  
 132.19 corporations, and local governmental units in furtherance of the program established under  
 132.20 this clause. School districts may cooperate with the commissioner and volunteer instructors  
 132.21 to provide space for the classroom portion of the training. The commissioner shall consult  
 132.22 with the commissioner of public safety in regard to training program subject matter and  
 132.23 performance testing that leads to the certification of snowmobile operators.

132.24 (7) The operator of any snowmobile involved in an accident resulting in injury requiring  
 132.25 medical attention or hospitalization to or death of any person or total damage to an extent  
 132.26 of \$500 or more, shall forward a written report of the accident to the commissioner on such  
 132.27 form as the commissioner shall prescribe. If the operator is killed or is unable to file a report  
 132.28 due to incapacitation, any peace officer investigating the accident shall file the accident  
 132.29 report within ten business days.

132.30 Sec. 10. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended  
 132.31 to read:

132.32 Subdivision 1. ~~Program~~ **Training and certification programs established.** (a) The  
 132.33 commissioner shall establish:

133.1 (1) a comprehensive all-terrain vehicle environmental and safety education and training  
 133.2 certification program, including the preparation and dissemination of vehicle information  
 133.3 and safety advice to the public, the training of all-terrain vehicle operators, and the issuance  
 133.4 of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who  
 133.5 successfully complete the all-terrain vehicle environmental and safety education and training  
 133.6 course; and

133.7 (2) a voluntary all-terrain vehicle online training program for youth and a parent or  
 133.8 guardian, offered at no charge for operators at least six years of age but younger than ten  
 133.9 years of age.

133.10 (b) A parent or guardian must be present at the hands-on a training portion of the program  
 133.11 for when the youth who are six through ten is under ten years of age.

133.12 ~~(b)~~ (c) For the purpose of administering the program and to defray the expenses of  
 133.13 training and certifying vehicle operators, the commissioner shall collect a fee from each  
 133.14 person who receives the training for certification under paragraph (a), clause (1). The  
 133.15 commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing  
 133.16 a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees  
 133.17 in a manner that neither significantly overrecovers nor underrecovers costs, including  
 133.18 overhead costs, involved in providing the services. The fees are not subject to the rulemaking  
 133.19 provisions of chapter 14 and section 14.386 does not apply. The fees may be established  
 133.20 by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing  
 133.21 fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle  
 133.22 account in the natural resources fund and the amount thereof, except for the electronic  
 133.23 licensing system commission established by the commissioner under section 84.027,  
 133.24 subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to  
 133.25 the Enforcement Division of the Department of Natural Resources for the administration  
 133.26 of the programs. In addition to the fee established by the commissioner, instructors may  
 133.27 charge each person up to the established fee amount for class materials and expenses.

133.28 ~~(e)~~ (d) The commissioner shall cooperate with private organizations and associations,  
 133.29 private and public corporations, and local governmental units in furtherance of the ~~program~~  
 133.30 programs established under this section. School districts may cooperate with the  
 133.31 commissioner and volunteer instructors to provide space for the classroom portion of the  
 133.32 training. The commissioner shall consult with the commissioner of public safety in regard  
 133.33 to ~~training program~~ the subject matter of the training programs and performance testing that  
 133.34 leads to the certification of vehicle operators. The commissioner shall incorporate a riding  
 133.35 component in the ~~safety education and training program~~ certification programs established

134.1 under this section, and may incorporate a riding component in the training program as  
134.2 established in paragraph (a), clause (2).

134.3 Sec. 11. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended  
134.4 to read:

134.5 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public  
134.6 road rights-of-way that is permitted under section 84.928 and as provided under paragraph  
134.7 (j), a driver's license issued by the state or another state is required to operate an all-terrain  
134.8 vehicle along or on a public road right-of-way.

134.9 (b) A person under 12 years of age shall not:

134.10 (1) make a direct crossing of a public road right-of-way;

134.11 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

134.12 (3) operate an all-terrain vehicle on public lands or waters, except as provided in  
134.13 paragraph (f).

134.14 (c) Except for public road rights-of-way of interstate highways, a person 12 years of age  
134.15 but less than 16 years may make a direct crossing of a public road right-of-way of a trunk,  
134.16 county state-aid, or county highway or operate on public lands and waters or state or  
134.17 grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate  
134.18 issued by the commissioner and is accompanied by a person 18 years of age or older who  
134.19 holds a valid driver's license.

134.20 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old,  
134.21 but less than 16 years old, must:

134.22 (1) successfully complete the safety education and training program under section 84.925,  
134.23 subdivision 1, including a riding component; and

134.24 (2) be able to properly reach and control the handle bars and reach the foot pegs while  
134.25 sitting upright on the seat of the all-terrain vehicle.

134.26 (e) A person at least ~~six~~ ten years of age may take the safety education and training  
134.27 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but  
134.28 the certificate is not valid until the person reaches age 12.

134.29 (f) A person at least ten years of age but under 12 years of age may operate an all-terrain  
134.30 vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with  
134.31 straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with

135.1 side-by-side-style seating on public lands or waters if accompanied by a parent or legal  
135.2 guardian.

135.3 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

135.4 (h) A person under the age of 16 may not operate an all-terrain vehicle on public lands  
135.5 or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

135.6 (1) the handle bars and reach the foot pegs while sitting upright on the seat of the  
135.7 all-terrain vehicle with straddle-style seating; or

135.8 (2) the steering wheel and foot controls of a class 1 all-terrain vehicle with  
135.9 side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

135.10 (i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16  
135.11 years old, may make a direct crossing of a public road right-of-way of a trunk, county  
135.12 state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or  
135.13 state or grant-in-aid trails if:

135.14 (1) the nonresident youth has in possession evidence of completing an all-terrain safety  
135.15 course offered by the ATV Safety Institute or another state as provided in section 84.925,  
135.16 subdivision 3; and

135.17 (2) the nonresident youth is accompanied by a person 18 years of age or older who holds  
135.18 a valid driver's license.

135.19 (j) A person 12 years of age but less than 16 years of age may operate an all-terrain  
135.20 vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted  
135.21 under section 84.928 if the person:

135.22 (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner;  
135.23 and

135.24 (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

135.25 Sec. 12. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended  
135.26 to read:

135.27 Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested  
135.28 waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b),  
135.29 (c), or (d) and section 97C.341.

136.1 (b) In waters that are listed as infested waters, except those listed as infested with  
136.2 prohibited invasive species of fish or certifiable diseases of fish, as defined under section  
136.3 17.4982, subdivision 6, taking wild animals may be permitted for:

136.4 (1) commercial taking of wild animals for bait and aquatic farm purposes as provided  
136.5 in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

136.6 (2) bait purposes for noncommercial personal use in waters that contain Eurasian  
136.7 watermilfoil, when the infested waters are listed solely because they contain Eurasian  
136.8 watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not  
136.9 exceeding 16 inches in diameter and 32 inches in length.

136.10 (c) In streams or rivers that are listed as infested waters, except those listed as infested  
136.11 with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest  
136.12 of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by  
136.13 hook and line for noncommercial personal use is allowed as follows:

136.14 (1) fish taken under this paragraph must be used on the same body of water where caught  
136.15 and while still on that water body. Where the river or stream is divided by barriers such as  
136.16 dams, the fish must be caught and used on the same section of the river or stream;

136.17 (2) fish taken under this paragraph may not be transported live from or off the water  
136.18 body;

136.19 (3) fish harvested under this paragraph may only be used in accordance with this section;

136.20 (4) any other use of wild animals used for bait from infested waters is prohibited;

136.21 (5) fish taken under this paragraph must meet all other size restrictions and requirements  
136.22 as established in rules; and

136.23 (6) all species listed under this paragraph shall be included in the person's daily limit as  
136.24 established in rules, if applicable.

136.25 (d) In the Minnesota River downstream of Granite Falls, the Mississippi River  
136.26 downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors  
136.27 Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota  
136.28 Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for  
136.29 noncommercial personal use as bait for angling, as provided in a permit issued under section  
136.30 84D.11, is allowed as follows:

136.31 (1) nontarget species must immediately be returned to the water;

137.1 (2) gizzard shad taken under this paragraph must be used on the same body of water  
137.2 where caught and while still on that water body. Where the river is divided by barriers such  
137.3 as dams, the gizzard shad must be caught and used on the same section of the river;

137.4 (3) gizzard shad taken under this paragraph may not be transported off the water body;  
137.5 and

137.6 (4) gizzard shad harvested under this paragraph may only be used in accordance with  
137.7 this section.

137.8 ~~This paragraph expires December 1, 2017.~~

137.9 (e) Equipment authorized for minnow harvest in a listed infested water by permit issued  
137.10 under paragraph (b) may not be transported to, or used in, any waters other than waters  
137.11 specified in the permit.

137.12 (f) Bait intended for sale may not be held in infested water after taking and before sale,  
137.13 unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

137.14 Sec. 13. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended  
137.15 to read:

137.16 Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and**  
137.17 **turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines  
137.18 used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that  
137.19 is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes  
137.20 other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must  
137.21 be tagged with tags provided by the commissioner, as specified in the commercial licensee's  
137.22 license or permit. Tagged gear must not be used in water bodies other than those specified  
137.23 in the license or permit. The license or permit may authorize department staff to remove  
137.24 tags after the from gear is that has been decontaminated according to a protocol specified  
137.25 by the commissioner if the use of the decontaminated gear in other water bodies would not  
137.26 pose an unreasonable risk of harm to natural resources or the use of natural resources in the  
137.27 state. This tagging requirement does not apply to commercial fishing equipment used in  
137.28 Lake Superior.

137.29 (b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle,  
137.30 frog, or crayfish harvesting in an infested water that is listed solely because it contains  
137.31 Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum  
137.32 of two days before they are used in any other waters, except as provided in this paragraph.  
137.33 Commercial licensees must notify the department's regional or area fisheries office or a

138.1 conservation officer before removing nets or equipment from an infested water listed solely  
138.2 because it contains Eurasian watermilfoil and before resetting those nets or equipment in  
138.3 any other waters. Upon notification, the commissioner may authorize a commercial licensee  
138.4 to move nets or equipment to another water without freezing or drying, if that water is listed  
138.5 as infested solely because it contains Eurasian watermilfoil.

138.6 (c) A commercial licensee must remove all aquatic macrophytes from nets and other  
138.7 equipment before placing the equipment into waters of the state.

138.8 (d) The commissioner shall provide a commercial licensee with a current listing of listed  
138.9 infested waters at the time that a license or permit is issued.

138.10 Sec. 14. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended  
138.11 to read:

138.12 Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional  
138.13 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~  
138.14 ~~Gull Narrows State Water Access Site, Government Point State Water Access Site, and~~  
138.15 ~~Gull East State~~ water access Site sites on Gull Lake (DNR Division of Waters number  
138.16 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures,  
138.17 and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake  
138.18 service providers participating in the Gull Lake targeted pilot study place of business must  
138.19 be located in Cass or Crow Wing County.

138.20 (b) If an additional targeted pilot project for Gull Lake is implemented under this section,  
138.21 the report to the chairs and ranking minority members of the senate and house of  
138.22 representatives committees having jurisdiction over natural resources required under Laws  
138.23 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study  
138.24 recommendations and assessments.

138.25 (c) This subdivision expires December 1, 2019.

138.26 Sec. 15. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended  
138.27 to read:

138.28 Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional  
138.29 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~  
138.30 ~~Cross Lake #1 State~~ water access Site sites on Cross Lake (DNR Division of Waters number  
138.31 18-0312) in Crow Wing County using the same authorities, general procedures, and  
138.32 requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place

139.1 of business of lake service providers participating in the Cross Lake targeted pilot study  
 139.2 must be located in Cass or Crow Wing County.

139.3 (b) If an additional targeted pilot project for Cross Lake is implemented under this  
 139.4 section, the report to the chairs and ranking minority members of the senate and house of  
 139.5 representatives committees having jurisdiction over natural resources required under Laws  
 139.6 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot  
 139.7 study recommendations and assessments.

139.8 (c) This subdivision expires December 1, 2019.

139.9 Sec. 16. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended  
 139.10 to read:

139.11 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area  
 139.12 Citizens Advisory Council is established. Membership on the advisory council shall include:

139.13 (1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~  
 139.14 Cuyuna Range Economic Development, Inc.;

139.15 (2) a representative of ~~for~~ the Croft Mine Historical Park Joint Powers Board appointed  
 139.16 by the members of the Cuyuna Country State Recreation Area Citizens Advisory Council  
 139.17 who are appointed under clauses (1) and (4) to (13);

139.18 (3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked~~  
 139.19 ~~as a miner in the local area~~ member at large appointed by the members of the Cuyuna  
 139.20 Country State Recreation Area Citizens Advisory Council who are appointed under clauses  
 139.21 (1) and (4) to (13);

139.22 (4) a representative of the Crow Wing County Board;

139.23 (5) ~~an elected state official~~ the state senator representing the state recreation area;

139.24 (6) the member from the state house of representatives representing the state recreation  
 139.25 area;

139.26 (7) a representative of the Grand Rapids regional office of the Department of Natural  
 139.27 Resources;

139.28 ~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

139.29 ~~(8)~~ (9) a designee of the local business community selected by the area chambers of  
 139.30 commerce;

140.1 ~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing  
 140.2 County District 5 commissioner;

140.3 ~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton  
 140.4 School Board;

140.5 ~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna  
 140.6 Range Chamber of Commerce; and

140.7 ~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

140.8 Sec. 17. Minnesota Statutes 2016, section 86B.005, subdivision 8a, is amended to read:

140.9 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide  
 140.10 detection system" means a device or system ~~that meets the requirements of the American~~  
 140.11 ~~Boat and Yacht Council Standard A-24, July, 2015, for carbon monoxide detection systems.~~  
 140.12 for detecting carbon monoxide that is certified by a nationally recognized testing laboratory  
 140.13 to conform to current UL Standards for use on recreational boats.

140.14 Sec. 18. Minnesota Statutes 2016, section 86B.532, subdivision 1, is amended to read:

140.15 Subdivision 1. **Requirements; installation.** (a) No motorboat used for recreational  
 140.16 purposes that has an enclosed accommodation compartment may be operated on any waters  
 140.17 of the state unless the motorboat is equipped with a functioning marine carbon monoxide  
 140.18 detection system installed according to the manufacturer's instructions and this subdivision.

140.19 (b) ~~After May 1, 2017,~~ No new motorboat used for recreational purposes that has an  
 140.20 enclosed accommodation compartment may be sold or offered for sale in Minnesota unless  
 140.21 the motorboat is equipped with a new functioning marine carbon monoxide detection system  
 140.22 installed according to the manufacturer's instructions and this subdivision.

140.23 (c) A marine carbon monoxide detection system must be located:

140.24 (1) to monitor the atmosphere of the enclosed accommodation compartment; and

140.25 (2) within ten feet or 3.048 meters of any designated sleeping accommodations.

140.26 (d) A marine carbon monoxide detection system, including a sensor, must not be located  
 140.27 within five feet or 1.52 meters of any cooking appliance.

141.1 Sec. 19. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to  
141.2 read:

141.3 Subd. 3. **Wildland firefighters; training and licensing.** Forest officers and all  
141.4 individuals employed as wildland firefighters under this chapter are not subject to the  
141.5 requirements of chapter 299N.

141.6 Sec. 20. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

141.7 Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person  
141.8 who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty  
141.9 is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

141.10 (b) Failure by any person to comply with any provision or requirement of sections 88.03  
141.11 to 88.22 to which such person is subject shall be deemed a violation thereof.

141.12 (c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to  
141.13 any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation,  
141.14 shall also be liable in full damages to any and every person suffering loss or injury by reason  
141.15 of such violation, including liability to the state, and any of its political subdivisions, for  
141.16 all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire  
141.17 caused by, or resulting from, any violation of these sections. Notwithstanding any statute  
141.18 to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee  
141.19 of the Department of Natural Resources may represent the commissioner in proceedings  
141.20 under this subdivision that are removed to district court from conciliation court. All expenses  
141.21 so collected by the state shall be deposited in the general fund. When a fire set by any person  
141.22 spreads to and damages or destroys property belonging to another, the setting of the fire  
141.23 shall be prima facie evidence of negligence in setting and allowing the same to spread.

141.24 (d) At any time the state, or any political subdivision thereof, either of its own motion,  
141.25 or at the suggestion or request of the director, may bring an action in any court of competent  
141.26 jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22,  
141.27 whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any  
141.28 person from proceeding further in, with, or at any timber cutting or other operations without  
141.29 complying with the provisions of those sections, or the requirements of the director pursuant  
141.30 thereto; and the court may grant such relief, or any other appropriate relief, whenever it  
141.31 shall appear that the same may prevent loss of life or property by fire, or may otherwise aid  
141.32 in accomplishing the purposes of sections 88.03 to 88.22.

142.1 Sec. 21. Minnesota Statutes 2017 Supplement, section 89.17, is amended to read:

142.2 **89.17 LEASES AND PERMITS.**

142.3 (a) Notwithstanding the permit procedures of chapter 90, the commissioner may grant  
142.4 and execute, in the name of the state, leases and permits for the use of any forest lands under  
142.5 the authority of the commissioner for any purpose that in the commissioner's opinion is not  
142.6 inconsistent with the maintenance and management of the forest lands, on forestry principles  
142.7 for timber production. Every such lease or permit is revocable at the discretion of the  
142.8 commissioner at any time subject to such conditions as may be agreed on in the lease. The  
142.9 approval of the commissioner of administration is not required upon any such lease or  
142.10 permit. No such lease or permit for a period exceeding 21 years shall be granted except with  
142.11 the approval of the Executive Council.

142.12 (b) Public access to the leased land for outdoor recreation is the same as access would  
142.13 be under state management.

142.14 (c) Notwithstanding section 16A.125, subdivision 5, after deducting the reasonable costs  
142.15 incurred for preparing and issuing the lease, all remaining proceeds from leasing school  
142.16 trust land and university land for roads on forest lands must be deposited into the respective  
142.17 permanent fund for the lands.

142.18 (d) The commissioner may require a performance bond, security deposit, or other form  
142.19 of security for removing any improvements or personal property left on the leased premises  
142.20 by the lessee upon termination or cancellation of the lease.

142.21 Sec. 22. Minnesota Statutes 2016, section 89.551, is amended to read:

142.22 **89.551 APPROVED FIREWOOD REQUIRED.**

142.23 (a) After the commissioner issues an order under paragraph (b), a person may not possess  
142.24 firewood on land administered by the commissioner of natural resources unless the firewood:

142.25 (1) was obtained from a firewood distribution facility located on land administered by  
142.26 the commissioner;

142.27 (2) was obtained from a firewood dealer who is selling firewood that is approved by the  
142.28 commissioner under paragraph (b); or

142.29 (3) has been approved by the commissioner of natural resources under paragraph (b).

142.30 (b) The commissioner of natural resources shall, by written order published in the State  
142.31 Register, approve firewood for possession on lands administered by the commissioner. The

143.1 order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not  
143.2 apply.

143.3 (c) A violation under this section is subject to confiscation of firewood ~~and after May~~  
143.4 ~~1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation~~  
143.5 ~~and assessed a \$100 penalty for each sale of firewood not approved under the provisions~~  
143.6 ~~of this section and sold for use on land administered by the commissioner.~~

143.7 (d) For the purposes of this section, "firewood" means any wood that is intended for use  
143.8 in a campfire, as defined in section 88.01, subdivision 25.

143.9 Sec. 23. Minnesota Statutes 2016, section 92.50, is amended by adding a subdivision to  
143.10 read:

143.11 Subd. 3. Security requirement. The commissioner may require a performance bond,  
143.12 security deposit, or other form of security for removing any improvements or personal  
143.13 property left on the leased premises by the lessee upon termination or cancellation of the  
143.14 lease.

143.15 Sec. 24. Minnesota Statutes 2016, section 94.10, subdivision 2, is amended to read:

143.16 Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before  
143.17 any public sale of surplus state-owned land is made and at least 30 days before the sale, the  
143.18 commissioner of natural resources shall publish a notice of the sale in a newspaper of general  
143.19 distribution in the county in which the real property to be sold is situated. The notice shall  
143.20 specify the time and place at which the sale will commence, a general description of the  
143.21 lots or tracts to be offered, and a general statement of the terms of sale. The commissioner  
143.22 shall also provide electronic notice of sale.

143.23 (b) The minimum bid for a parcel of land must include the estimated value or appraised  
143.24 value of the land and any improvements and, if any of the land is valuable for merchantable  
143.25 timber, the value of the merchantable timber. The minimum bid may include expenses  
143.26 incurred by the commissioner in rendering the property salable, including survey, appraisal,  
143.27 legal, advertising, and other expenses.

143.28 (c) The purchaser of state land must pay recording fees and the state deed tax.

143.29 (d) Except as provided under paragraph (e), parcels remaining unsold after the offering  
143.30 may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale  
143.31 shall continue until all parcels are sold or until the commissioner orders a reappraisal or  
143.32 withdraws the remaining parcels from sale.

144.1 (e) The commissioner may retain the services of a licensed real estate broker to find a  
 144.2 buyer for parcels remaining unsold after the offering. The sale price may be negotiated by  
 144.3 the broker, but must not be less than 90 percent of the appraised value as determined by the  
 144.4 commissioner. The broker's fee must be established by prior agreement between the  
 144.5 commissioner and the broker and must not exceed ten percent of the sale price for sales of  
 144.6 \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

144.7 (f) Public sales of surplus state-owned land may be conducted through online auctions.

144.8 Sec. 25. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

144.9 Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a  
 144.10 summary of the hunting and fishing laws and rules and deliver a sufficient supply to license  
 144.11 vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

144.12 (b) At the beginning of the summary, under the heading "Trespass," the commissioner  
 144.13 shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that  
 144.14 conservation officers and peace officers must enforce the trespass laws, and state the penalties  
 144.15 for trespassing.

144.16 (c) In the summary the commissioner shall, under the heading "Duty to Render Aid,"  
 144.17 summarize the requirements under section 609.662 and state the penalties for failure to  
 144.18 render aid to a person injured by gunshot.

144.19 Sec. 26. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended  
 144.20 to read:

144.21 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision,  
 144.22 "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5),  
 144.23 (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and  
 144.24 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

144.25 (b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2,  
 144.26 clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2  
 144.27 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses  
 144.28 (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301,  
 144.29 subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in  
 144.30 section 97A.4742, for each license issued to a person 18 years of age or older under section  
 144.31 97A.473, subdivision 4; and \$2 annually from the lifetime fish and wildlife trust fund for  
 144.32 each license issued to a person under 18 years of age shall be credited to the deer management

145.1 ~~account and is appropriated to the commissioner for deer habitat improvement or deer~~  
145.2 ~~management programs.~~

145.3 (c) \$1 from each annual deer license and each bear license and \$1 annually from the  
145.4 lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued  
145.5 under section 97A.473, subdivision 4, shall be credited to the deer and bear management  
145.6 account and is appropriated to the commissioner for deer- and bear-management programs,  
145.7 including a computerized licensing system.

145.8 (d) Fifty cents from each deer license is credited to the emergency deer feeding and wild  
145.9 Cervidae health-management account and is appropriated for emergency deer feeding and  
145.10 wild Cervidae health management. Money appropriated for emergency deer feeding and  
145.11 wild Cervidae health management is available until expended.

145.12 When the unencumbered balance in the appropriation for emergency deer feeding and  
145.13 wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the  
145.14 unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and  
145.15 bear-management programs and computerized licensing.

145.16 Sec. 27. [97A.409] VOTER REGISTRATION INFORMATION.

145.17 (a) On the Department of Natural Resources online license sales Web site for purchasing  
145.18 a resident license to hunt or fish that is required under the game and fish laws, the  
145.19 commissioner must include the voter registration eligibility requirements and a description  
145.20 of how to register to vote before or on election day. On the Web page where an individual  
145.21 has the option to print a license to hunt or fish, the commissioner must include a direct link  
145.22 to the secretary of state's online voter registration Web page.

145.23 (b) In the printed and digital versions of fishing regulations and hunting and trapping  
145.24 regulations, the commissioner must include the voter registration eligibility requirements,  
145.25 a description of how to register to vote before or on election day, and a link to the secretary  
145.26 of state's online voter registration Web page. In addition, the commissioner must include a  
145.27 voter registration application in the printed and digital versions of fishing regulations and  
145.28 hunting and trapping regulations.

145.29 (c) The secretary of state must provide the required voter registration information to the  
145.30 commissioner. The secretary of state must prepare and approve an alternate form of the  
145.31 voter registration application to be used in the regulations.

146.1 **EFFECTIVE DATE.** Paragraph (a) is effective on August 1, 2018, and applies to  
146.2 licenses issued on or after March 1, 2019. Paragraph (b) is effective on August 1, 2018, and  
146.3 applies to printed and digital versions of regulations updated on or after that date.

146.4 Sec. 28. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

146.5 Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may  
146.6 conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area.  
146.7 Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in  
146.8 the area, and their family members, are eligible for the separate selection. Persons that are  
146.9 unsuccessful in a separate selection must be included in the selection for the remaining  
146.10 licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk~~  
146.11 ~~hunting on their land during the elk season for which the license is valid~~ may sell the license  
146.12 to any Minnesota resident eligible to hunt big game for no more than the original cost of  
146.13 the license.

146.14 (b) The commissioner may by rule establish criteria for determining eligible family  
146.15 members under this subdivision.

146.16 Sec. 29. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

146.17 Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate  
146.18 selection for 20 percent of the elk licenses to be issued each year. Only individuals who  
146.19 have applied at least ten times for an elk license and who have never received a license are  
146.20 eligible for this separate selection. A person who is unsuccessful in a separate selection  
146.21 under this subdivision must be included in the selection for the remaining licenses.

146.22 Sec. 30. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

146.23 Subd. 6. **Provisional certificate for persons with permanent physical or**  
146.24 **developmental disability.** Upon the recommendation of a course instructor, the  
146.25 commissioner may issue a provisional firearms safety certificate to a person who satisfactorily  
146.26 completes the classroom portion of the firearms safety course but is unable to pass the  
146.27 written or an alternate format exam portion of the course because of a permanent physical  
146.28 disability or developmental disability as defined in section 97B.1055, subdivision 1. The  
146.29 certificate is valid only when used according to section 97B.1055.

147.1 Sec. 31. Minnesota Statutes 2016, section 97B.1055, is amended to read:

147.2 **97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR**  
147.3 **DEVELOPMENTAL DISABILITY.**

147.4 Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision  
147.5 ~~6~~:

147.6 (a) A "person with developmental disability" means a person who has been diagnosed  
147.7 as having substantial limitations in present functioning, manifested as significantly  
147.8 subaverage intellectual functioning, existing concurrently with demonstrated deficits in  
147.9 adaptive behavior, and who manifests these conditions before the person's 22nd birthday.

147.10 (b) A "person with a related condition" means a person who meets the diagnostic  
147.11 definition under section 252.27, subdivision 1a.

147.12 (c) A "person with a permanent physical disability" means a person who has a physical  
147.13 disability that prevents them from being able to navigate natural terrain or hold a firearm  
147.14 for the purpose of a required field component for the firearm safety training program under  
147.15 section 97B.020.

147.16 Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a  
147.17 permanent physical disability or developmental disability may obtain a firearms hunting  
147.18 license with a provisional firearms safety certificate issued under section 97B.015,  
147.19 subdivision 6.

147.20 (b) Any person accompanying or assisting a person with a permanent physical disability  
147.21 or developmental disability under this section must possess a valid firearms safety certificate  
147.22 issued by the commissioner.

147.23 Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under  
147.24 subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person  
147.25 designated by a parent or guardian when hunting. A person who is not hunting but is solely  
147.26 accompanying and assisting a person with a permanent physical disability or developmental  
147.27 disability need not obtain a hunting license.

147.28 Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a  
147.29 firearm if the person is otherwise prohibited from possessing a firearm under state or federal  
147.30 law or a court order.

147.31 (b) No person shall knowingly authorize or permit a person, who by reason of a permanent  
147.32 physical disability or developmental disability is incapable of safely possessing a firearm,  
147.33 to possess a firearm to hunt in the state or on any boundary water of the state.

148.1 Sec. 32. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

148.2 Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard  
148.3 shad for use as bait for angling:

148.4 (1) from July 1 to November 30; and

148.5 (2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream  
148.6 of St. Anthony Falls<sub>2</sub> and the St. Croix River downstream of the dam at Taylors Falls,  
148.7 including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules,  
148.8 part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under  
148.9 section 84D.03, subdivision 3.

148.10 (b) Cast nets used under this subdivision must be monofilament and may not exceed  
148.11 ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths  
148.12 inch bar measure. No more than two cast nets may be used at one time.

148.13 ~~(e) This subdivision expires December 1, 2017. The commissioner must report to the~~  
148.14 ~~chairs and ranking minority members of the house of representatives and senate committees~~  
148.15 ~~with jurisdiction over environment and natural resources by March 1, 2018, on the number~~  
148.16 ~~of permits issued, conservation impacts from the use of cast nets, and recommendations for~~  
148.17 ~~any necessary changes in statutes or rules.~~

148.18 Sec. 33. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

148.19 Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a  
148.20 county or other local unit of government that provides a match utilizing a water  
148.21 implementation tax or other local source. A water implementation tax that a county or other  
148.22 local unit of government intends to use as a match to the base grant must be levied at a rate  
148.23 sufficient to generate a minimum amount determined by the board. The board may award  
148.24 performance-based or watershed-based grants, contracts, or payments to local units of  
148.25 government that are responsible for implementing elements of applicable portions of  
148.26 watershed management plans, comprehensive plans, local water management plans, or  
148.27 comprehensive watershed management plans, developed or amended, adopted and approved,  
148.28 according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the  
148.29 board may also award performance-based grants to local units of government to carry out  
148.30 TMDL implementation plans as provided in chapter 114D, if the TMDL implementation  
148.31 plan has been incorporated into the local water management plan according to the procedures  
148.32 for approving comprehensive plans, watershed management plans, local water management  
148.33 plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D,

149.1 or if the TMDL implementation plan has undergone a public review process. Notwithstanding  
149.2 section 16A.41, the board may award ~~performance-based~~ grants, contracts, or payments on  
149.3 an advanced basis. The fee authorized in section 40A.152 may be used as a local match or  
149.4 as a supplement to state funding to accomplish implementation of comprehensive plans,  
149.5 watershed management plans, local water management plans, or comprehensive watershed  
149.6 management plans under this chapter and chapter 103C or 103D.

149.7 Sec. 34. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

149.8 Subd. 9. **Performance-based criteria.** The board shall develop and utilize  
149.9 performance-based or eligibility criteria for local water resources restoration, protection,  
149.10 and management programs and projects. The criteria may include but are not limited to  
149.11 science-based assessments, organizational capacity, priority resource issues, community  
149.12 outreach and support, partnership potential, potential for multiple benefits, and program  
149.13 and project delivery efficiency and effectiveness.

149.14 Sec. 35. **[103B.461] RED RIVER BASIN COMMISSION.**

149.15 Subdivision 1. **Purposes.** The Red River Basin Commission was created to:

149.16 (1) facilitate transboundary and basin-wide dialogue and consultation with citizens, land  
149.17 users, organizations, and governments; and

149.18 (2) coordinate basin-wide interstate and international efforts on water management,  
149.19 including but not limited to flood mitigation, water quality, water supply, drainage, aquatic  
149.20 health, and recreation.

149.21 Subd. 2. **Membership.** The Red River Basin Commission must have basin-wide  
149.22 representation of members and alternates to serve on the commission consistent with the  
149.23 adopted bylaws of the commission. Selection and terms of members are as defined in the  
149.24 commission's bylaws.

149.25 Subd. 3. **Duties.** The Red River Basin Commission must:

149.26 (1) develop and coordinate comprehensive water management goals for the Red River  
149.27 basin by aligning the work plans in the major watersheds in the states of Minnesota, North  
149.28 Dakota, and South Dakota and the Canadian province of Manitoba;

149.29 (2) advise on developing and using systems to monitor and evaluate the Red River basin  
149.30 and incorporating the data obtained from these systems into planning and implementation  
149.31 processes;

150.1 (3) conduct public meetings at locations in the Red River basin regarding the public's  
150.2 perspective on water resource issues, needs, and priorities in the basin;

150.3 (4) conduct an ongoing information and education program on water management in  
150.4 the Red River basin, including an annual conference;

150.5 (5) advise on developing projects in the major watersheds that are scientifically sound,  
150.6 have landowner and local government support, and reduce potential flood damages and  
150.7 inputs of pollutants into the Red River;

150.8 (6) develop and implement a framework plan for natural resources and provide periodic  
150.9 budget requests and reports to the governors of Minnesota, North Dakota, and South Dakota,  
150.10 to the premier of Manitoba, and to the respective legislatures, provincial members, and  
150.11 congressional representatives of the respective states and province regarding progress on  
150.12 meeting water management goals and funding or policy recommendations;

150.13 (7) administer funds for implementing projects and track and report the results achieved  
150.14 for each project; and

150.15 (8) assess the collective work in the Red River basin and make recommendations to the  
150.16 states of Minnesota, North Dakota, and South Dakota, to the Canadian province of Manitoba,  
150.17 and to their respective legislatures, provincial members, and congressional representatives  
150.18 on the actions needed to sustain or accelerate components of the framework plan for natural  
150.19 resources in the Red River basin and the major watersheds of the Red River basin.

150.20 Sec. 36. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

150.21 Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management  
150.22 plan program under section 103B.101, subdivision 14, paragraph (a), are to:

150.23 (1) align local water planning purposes and procedures under this chapter and chapters  
150.24 103C and 103D on watershed boundaries to create a systematic, watershed-wide,  
150.25 science-based approach to watershed management;

150.26 (2) acknowledge and build off existing local government structure, water plan services,  
150.27 and local capacity;

150.28 (3) incorporate and make use of data and information, including watershed restoration  
150.29 and protection strategies under section 114D.26, which may serve to fulfill all or some of  
150.30 the requirements under chapter 114D;

150.31 (4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

151.1 (5) focus on implementation of prioritized and targeted actions capable of achieving  
151.2 measurable progress; and

151.3 (6) serve as a substitute for a comprehensive plan, local water management plan, or  
151.4 watershed management plan developed or amended, approved, and adopted, according to  
151.5 this chapter or chapter 103C or 103D.

151.6 Sec. 37. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

151.7 Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June  
151.8 30, 2016, a transition plan for development, approval, adoption, and coordination of plans  
151.9 consistent with section 103A.212. The transition plan must include a goal of completing  
151.10 statewide transition to comprehensive watershed management plans by 2025. The  
151.11 metropolitan area may be considered for inclusion in the transition plan. The board may  
151.12 amend the transition plan no more often than once every two years.

151.13 (b) The board may use the authority under section 103B.3369, subdivision 9, to support  
151.14 development or implementation of a comprehensive watershed management plan under this  
151.15 section.

151.16 Sec. 38. Minnesota Statutes 2016, section 103F.361, subdivision 2, is amended to read:

151.17 Subd. 2. **Legislative intent.** It is the intent of sections 103F.361 to 103F.377 to authorize  
151.18 and direct the board and ~~the counties~~ zoning authorities to implement the plan for the  
151.19 Mississippi headwaters area.

151.20 Sec. 39. Minnesota Statutes 2016, section 103F.363, subdivision 1, is amended to read:

151.21 Subdivision 1. **Generally.** Sections 103F.361 to 103F.377 apply to the counties of  
151.22 Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison and all other  
151.23 zoning authorities.

151.24 Sec. 40. Minnesota Statutes 2016, section 103F.365, is amended by adding a subdivision  
151.25 to read:

151.26 Subd. 5. **Zoning authority.** "Zoning authority" means counties, organized townships,  
151.27 local and special governmental units, joint powers boards, councils, commissions, boards,  
151.28 districts, and all state agencies and departments within the corridor defined by the plan,  
151.29 excluding statutory or home rule charter cities.

152.1 Sec. 41. Minnesota Statutes 2016, section 103F.371, is amended to read:

152.2 **103F.371 RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.**

152.3 (a) All local and special governmental units, councils, commissions, boards and districts  
 152.4 and all state agencies and departments must exercise their powers so as to further the purposes  
 152.5 of sections 103F.361 to 103F.377 and the plan. Land owned by the state, its agencies, and  
 152.6 political subdivisions shall be administered in accordance with the plan. The certification  
 152.7 procedure under section 103F.373 applies to all zoning authorities in the corridor defined  
 152.8 by the plan.

152.9 (b) Actions that comply with the land use ordinance are consistent with the plan. Actions  
 152.10 that do not comply with the ordinance may not be started until the board has been notified  
 152.11 and given an opportunity to review and comment on the consistency of the action with this  
 152.12 section.

152.13 Sec. 42. Minnesota Statutes 2016, section 103F.373, subdivision 1, is amended to read:

152.14 Subdivision 1. **Purpose.** To ~~assure~~ ensure that the plan is not nullified by unjustified  
 152.15 exceptions in particular cases and to promote uniformity in the treatment of applications  
 152.16 for exceptions, a review and certification procedure is established for the following categories  
 152.17 of land use actions taken by ~~the counties and~~ zoning authorities directly or indirectly affecting  
 152.18 land use within the area covered by the plan:

152.19 (1) the adoption or amendment of an ordinance regulating the use of land, including  
 152.20 rezoning of particular tracts of land;

152.21 (2) the granting of a variance from provisions of the land use ordinance; and

152.22 (3) the approval of a plat which is inconsistent with the land use ordinance.

152.23 Sec. 43. Minnesota Statutes 2016, section 103F.373, subdivision 3, is amended to read:

152.24 Subd. 3. **Procedure for certification.** A copy of the notices of public hearings or, when  
 152.25 a hearing is not required, a copy of the application to consider an action of a type specified  
 152.26 in subdivision 1, clauses (1) to (3), must be forwarded to the board by the ~~county~~ zoning  
 152.27 authority at least 15 days before the hearing or meetings to consider the actions. The ~~county~~  
 152.28 zoning authority shall notify the board of its final decision on the proposed action within  
 152.29 ten days of the decision. By 30 days after the board receives the notice, the board shall  
 152.30 notify the ~~county~~ zoning authority and the applicant of ~~its~~ the board's approval or disapproval  
 152.31 of the proposed action.

153.1 Sec. 44. Minnesota Statutes 2016, section 103F.373, subdivision 4, is amended to read:

153.2 Subd. 4. **Disapproval of actions.** (a) If a notice of disapproval is issued by the board,  
153.3 the ~~county~~ zoning authority or the applicant may, within 30 days of the notice, file with the  
153.4 board a demand for a hearing. If a demand is not filed within the 30-day period, the  
153.5 disapproval becomes final.

153.6 (b) If a demand is filed within the 30-day period, a hearing must be held within 60 days  
153.7 of demand. The hearing must be preceded by two weeks' published notice. Within 30 days  
153.8 after the hearing, the board must:

153.9 (1) affirm its disapproval of the proposed action; or

153.10 (2) certify approval of the proposed action.

153.11 Sec. 45. **[103F.452] APPLICABILITY.**

153.12 The provisions of sections 103F.415 to 103F.455 are not applicable without the adoption  
153.13 of an ordinance by the county or local government unit.

153.14 Sec. 46. Minnesota Statutes 2017 Supplement, section 103G.222, subdivision 3, is amended  
153.15 to read:

153.16 Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands outside of a greater than  
153.17 80 percent area must not be replaced in a greater than 80 percent area. All wetland  
153.18 replacement must follow this priority order:

153.19 (1) in the same minor watershed as the impacted wetland;

153.20 (2) in the same watershed as the impacted wetland;

153.21 (3) in the same wetland bank service area as the impacted wetland; and

153.22 (4) in another wetland bank service area.

153.23 (b) Notwithstanding paragraph (a), wetland banking credits approved according to a  
153.24 complete wetland banking application submitted to a local government unit by April 1,  
153.25 1996, may be used to replace wetland impacts resulting from public transportation projects  
153.26 statewide.

153.27 (c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement  
153.28 by wetland banking begins at paragraph (a), clause (3), according to rules adopted under  
153.29 section 103G.2242, subdivision 1.

154.1 (d) When reasonable, practicable, and environmentally beneficial replacement  
154.2 opportunities are not available in siting priorities listed in paragraph (a), the applicant may  
154.3 seek opportunities at the next level.

154.4 (e) For the purposes of this section, "reasonable, practicable, and environmentally  
154.5 beneficial replacement opportunities" are defined as opportunities that:

154.6 (1) take advantage of naturally occurring hydrogeomorphological conditions and require  
154.7 minimal landscape alteration;

154.8 (2) have a high likelihood of becoming a functional wetland that will continue in  
154.9 perpetuity;

154.10 (3) do not adversely affect other habitat types or ecological communities that are  
154.11 important in maintaining the overall biological diversity of the area; and

154.12 (4) are available and capable of being done after taking into consideration cost, existing  
154.13 technology, and logistics consistent with overall project purposes.

154.14 (f) Regulatory agencies, local government units, and other entities involved in wetland  
154.15 restoration shall collaborate to identify potential replacement opportunities within their  
154.16 jurisdictional areas.

154.17 (g) The board must establish wetland replacement ratios and wetland bank service area  
154.18 priorities to implement the siting and targeting of wetland replacement and encourage the  
154.19 use of high priority areas for wetland replacement.

154.20 (h) Wetland replacement sites identified in accordance with the priority order for  
154.21 replacement siting in paragraph (a) as part of the completion of an adequate environmental  
154.22 impact statement may be approved for a replacement plan under section 93.481, 103G.2242,  
154.23 or 103G.2243 without further modification related to the priority order, notwithstanding  
154.24 availability of new mitigation sites or availability of credits after completion of an adequate  
154.25 environmental impact statement. Wetland replacement plan applications must be submitted  
154.26 within one year of the adequacy determination of the environmental impact statement to be  
154.27 eligible for approval under this paragraph.

154.28 (i) The wetland replacement priority order under paragraph (a), clauses (1) to (4), does  
154.29 not apply to project-specific replacement sites intended to bank credits for single-user banks  
154.30 before January 1, 2009.

155.1 Sec. 47. Minnesota Statutes 2017 Supplement, section 103G.2242, subdivision 1, is  
155.2 amended to read:

155.3 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt  
155.4 rules governing the approval of wetland value replacement plans under this section and  
155.5 public-waters-work permits affecting public waters wetlands under section 103G.245. These  
155.6 rules must address the criteria, procedure, timing, and location of acceptable replacement  
155.7 of wetland values and may address the state establishment and administration of a wetland  
155.8 banking program for public and private projects, including provisions for an in-lieu fee  
155.9 program; the administrative, monitoring, and enforcement procedures to be used; and a  
155.10 procedure for the review and appeal of decisions under this section. In the case of peatlands,  
155.11 the replacement plan rules must consider the impact on carbon. Any in-lieu fee program  
155.12 established by the board must conform with Code of Federal Regulations, title 33, section  
155.13 332.8, as amended.

155.14 (b) After the adoption of the rules, a replacement plan must be approved by a resolution  
155.15 of the governing body of the local government unit, consistent with the provisions of the  
155.16 rules or a comprehensive wetland protection and management plan approved under section  
155.17 103G.2243.

155.18 (c) If the local government unit fails to apply the rules, or fails to implement a local  
155.19 comprehensive wetland protection and management plan established under section  
155.20 103G.2243, the government unit is subject to penalty as determined by the board.

155.21 (d) When making a determination under rules adopted pursuant to this subdivision on  
155.22 whether a rare natural community will be permanently adversely affected, consideration of  
155.23 measures to mitigate any adverse effect on the community must be considered. Wetland  
155.24 banking credits shall be an acceptable mitigation measure for any adverse effects on a rare  
155.25 natural community. The Department of Natural Resources may approve a wetland  
155.26 replacement plan that includes restoration or credits from rare natural communities of  
155.27 substantially comparable character and public value as mitigation for any rare natural  
155.28 community adversely affected by a project.

155.29 Sec. 48. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

155.30 Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank  
155.31 accounts and transactions as follows:

155.32 (1) account maintenance annual fee: one percent of the value of credits not to exceed  
155.33 \$500;

156.1 (2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to  
 156.2 exceed \$1,000 per establishment, deposit, or transfer; and

156.3 (3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

156.4 (b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the  
 156.5 amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

156.6 (c) Fees for single-user or other dedicated wetland banking accounts established pursuant  
 156.7 to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland  
 156.8 banking account and are assessed at the rate of 6.5 percent of the value of the credits not to  
 156.9 exceed \$1,000.

156.10 (d) The board may assess a fee to pay the costs associated with establishing conservation  
 156.11 easements, or other long-term protection mechanisms prescribed in the rules adopted under  
 156.12 subdivision 1, on property used for wetland replacement.

156.13 Sec. 49. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision  
 156.14 to read:

156.15 Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water  
 156.16 management plan" has the meaning given under section 103B.3363, subdivision 3.

156.17 Sec. 50. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision  
 156.18 to read:

156.19 Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed  
 156.20 management plan" has the meaning given under section 103B.3363, subdivision 3a.

156.21 Sec. 51. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

156.22 Subd. 7. **Restoration.** "Restoration" means actions, ~~including effectiveness monitoring,~~  
 156.23 ~~that are~~ taken to pursue, achieve, and maintain water quality standards for impaired waters  
 156.24 ~~in accordance with a TMDL that has been approved by the United States Environmental~~  
 156.25 ~~Protection Agency under federal TMDL requirements.~~

156.26 Sec. 52. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

156.27 Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

156.28 (1) a document detailing restoration activities needed to meet the approved TMDL's  
 156.29 pollutant load allocations for point and nonpoint sources; or

157.1 (2) one of the following that the commissioner of the Pollution Control Agency  
 157.2 determines to be, in whole or part, sufficient to meet applicable water quality standards:

157.3 (i) a comprehensive watershed management plan;

157.4 (ii) a comprehensive local water management plan; or

157.5 (iii) an existing statewide or regional strategy published by the Pollution Control Agency.

157.6 Sec. 53. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

157.7 Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed  
 157.8 restoration and protection strategy" or "WRAPS" means a document summarizing scientific  
 157.9 studies of a major watershed ~~no larger than~~ at approximately a hydrologic unit code 8 scale  
 157.10 including the physical, chemical, and biological assessment of the water quality of the  
 157.11 watershed; identification of impairments and water bodies in need of protection; identification  
 157.12 of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the  
 157.13 impairments; and ~~an implementation table containing~~ information to support strategies and  
 157.14 ~~actions~~ designed to achieve and maintain water quality standards and goals.

157.15 Sec. 54. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

157.16 Subd. 2. **Goals for implementation.** The following goals must guide the implementation  
 157.17 of this chapter:

157.18 (1) to identify impaired waters in accordance with federal TMDL requirements ~~within~~  
 157.19 ~~ten years after May 23, 2006, and thereafter~~ to ensure continuing evaluation of surface  
 157.20 waters for impairments;

157.21 (2) to submit TMDL's to the United States Environmental Protection Agency ~~for all~~  
 157.22 ~~impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

157.23 (3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration  
 157.24 ~~of each identified impaired water~~ and protection activities in a reasonable time period;

157.25 (4) systematically evaluate waters, to provide assistance and incentives to prevent  
 157.26 waters from becoming impaired, and to improve the quality of waters that are listed as  
 157.27 impaired ~~but do not have an approved TMDL addressing the impairment;~~

157.28 (5) to promptly seek the delisting of waters from the impaired waters list when those  
 157.29 waters are shown to achieve the designated uses applicable to the waters;

157.30 (6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

- 158.1 (7) to support effective measures to prevent the degradation of groundwater according  
158.2 to the groundwater degradation prevention goal under section 103H.001; and  
158.3 (8) to support effective measures to restore degraded groundwater.

158.4 Sec. 55. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

158.5 Subd. 3. **Implementation policies.** The following policies must guide the implementation  
158.6 of this chapter:

158.7 (1) develop regional ~~and, multiple pollutant, or watershed TMDL's and TMDL~~  
158.8 ~~implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~  
158.9 ~~or WRAPSs~~, where reasonable and feasible;

158.10 (2) maximize use of available organizational, technical, and financial resources to perform  
158.11 sampling, monitoring, and other activities to identify degraded groundwater and impaired  
158.12 waters, including use of citizen monitoring and citizen monitoring data used by the Pollution  
158.13 Control Agency in assessing water quality that meets the requirements ~~in Appendix D of~~  
158.14 ~~the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner  
158.15 of the Pollution Control Agency (2003);

158.16 (3) maximize opportunities for restoration of degraded groundwater and impaired waters,  
158.17 by prioritizing and targeting of available programmatic, financial, and technical resources  
158.18 and by providing additional state resources to complement and leverage available resources;

158.19 (4) use existing regulatory authorities to achieve restoration for point and nonpoint  
158.20 sources of pollution where applicable, and promote the development and use of effective  
158.21 nonregulatory measures to address pollution sources for which regulations are not applicable;

158.22 (5) use restoration methods that have a demonstrated effectiveness in reducing  
158.23 impairments and provide the greatest long-term positive impact on water quality protection  
158.24 and improvement and related conservation benefits while incorporating innovative approaches  
158.25 on a case-by-case basis;

158.26 (6) identify for the legislature any innovative approaches that may strengthen or  
158.27 complement existing programs;

158.28 (7) identify and encourage implementation of measures to prevent surface waters from  
158.29 becoming impaired and to improve the quality of waters that are listed as impaired but have  
158.30 no approved TMDL addressing the impairment using the best available data and technology,  
158.31 and establish and report outcome-based performance measures that monitor the progress  
158.32 and effectiveness of protection and restoration measures;

159.1 (8) monitor and enforce cost-sharing contracts and impose monetary damages in an  
 159.2 amount up to 150 percent of the financial assistance received for failure to comply; and

159.3 (9) identify and encourage implementation of measures to prevent groundwater from  
 159.4 becoming degraded and measures that restore groundwater resources.

159.5 Sec. 56. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

159.6 Subd. 5. **Priorities for preparing WRAPSs AND TMDL's.** In consultation with the  
 159.7 Clean Water Council shall recommend, the commissioner of the Pollution Control Agency  
 159.8 must coordinate with the commissioners of natural resources, health, and agriculture and  
 159.9 with the Board of Water and Soil Resources to establish priorities for scheduling and  
 159.10 preparing WRAPSs and TMDL's and TMDL implementation plans, taking into account,  
 159.11 considering the severity and causes of the impairment impairments, the designated uses of  
 159.12 those the waters, and other applicable federal TMDL requirements. In recommending  
 159.13 priorities, the council shall also give Consideration to, groundwater and high-quality waters  
 159.14 and watersheds watershed protection, waters and watersheds with declining water quality  
 159.15 trends, and waters and watersheds:

159.16 (1) with impairments that pose the greatest potential risk to human health;

159.17 (2) with impairments that pose the greatest potential risk to threatened or endangered  
 159.18 species;

159.19 (3) with impairments that pose the greatest potential risk to aquatic health;

159.20 (4) where other public agencies and participating organizations and individuals, especially  
 159.21 local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have  
 159.22 demonstrated readiness to assist in carrying out the responsibilities, including availability  
 159.23 and organization of human, technical, and financial resources necessary to undertake the  
 159.24 work; and

159.25 (5) where there is demonstrated coordination and cooperation among cities, counties,  
 159.26 watershed districts, and soil and water conservation districts in planning and implementation  
 159.27 of activities that will assist in carrying out the responsibilities.

159.28 Sec. 57. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

159.29 Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall  
 159.30 apply the priorities applicable under subdivision 6, as far as practicable, when recommending  
 159.31 priorities for funding actions to prevent groundwater and surface waters from becoming

160.1 degraded or impaired and to improve the quality of surface waters that are listed as impaired  
160.2 ~~but do not have an approved TMDL.~~

160.3 Sec. 58. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision  
160.4 to read:

160.5 Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** (a) If the  
160.6 commissioner of the Pollution Control Agency determines that a comprehensive watershed  
160.7 management plan or comprehensive local water management plan contains information that  
160.8 is sufficient and consistent with guidance from the United States Environmental Protection  
160.9 Agency, including the recommended structure for category 4b demonstrations or its  
160.10 replacement under section 303(d) of the federal Clean Water Act, the commissioner may  
160.11 submit the plan to the Environmental Protection Agency according to federal TMDL  
160.12 requirements as an alternative to developing a TMDL.

160.13 (b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for  
160.14 waters or watersheds when the commissioner of the Pollution Control Agency determines  
160.15 that a comprehensive watershed management plan, a comprehensive local water management  
160.16 plan, or a statewide or regional strategy published by the Pollution Control Agency meets  
160.17 the definitions in section 114D.15, subdivisions 11 or 13.

160.18 (c) The commissioner of the Pollution Control Agency may request that the Board of  
160.19 Water and Soil Resources conduct an evaluation of the implementation efforts under a  
160.20 comprehensive watershed management plan or comprehensive local water management  
160.21 plan when the commissioner makes a determination under paragraph (b). The board must  
160.22 conduct the evaluation in accordance with section 103B.102.

160.23 (d) The commissioner of the Pollution Control Agency may amend or revoke a  
160.24 determination made under paragraph (a) or (b) after considering the evaluation conducted  
160.25 under paragraph (c).

160.26 Sec. 59. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision  
160.27 to read:

160.28 Subd. 9. **Coordinating of municipal and local water quality activities.** A project,  
160.29 practice, or program for water quality improvement or protection that is conducted by a  
160.30 watershed management organization or a local government unit with a comprehensive  
160.31 watershed management plan or other water management plan approved according to chapter  
160.32 103B, 103C, or 103D may be considered as contributing to the requirements of a storm  
160.33 water pollution prevention plan (SWPPP) for a municipal separate storm sewer systems

161.1 (MS4) permit unless the project, practice, or program was previously documented as  
 161.2 contributing to a different SWPPP for an MS4 permit.

161.3 Sec. 60. Minnesota Statutes 2016, section 114D.26, is amended to read:

161.4 **114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.**

161.5 Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency shall  
 161.6 must develop watershed restoration and protection strategies- for:

161.7 (1) quantifying impairments and risks to water quality;

161.8 (2) describing the causes of impairments and pollution sources;

161.9 (3) consolidating TMDLs in a major watershed; and

161.10 (4) informing comprehensive local water management plans and comprehensive  
 161.11 watershed management plans.

161.12 (b) To ensure effectiveness, efficiency, and accountability in meeting the goals of this  
 161.13 chapter, the commissioner of the Pollution Control Agency and the Board of Water and  
 161.14 Soil Resources must coordinate the schedule, budget, scope, and use of a WRAPS and  
 161.15 related documents and processes in consultation with local government units and in  
 161.16 consideration of section 114D.20, subdivision 8. Each WRAPS shall must:

161.17 (1) identify impaired waters and waters in need of protection;

161.18 (2) identify biotic stressors causing impairments or threats to water quality;

161.19 (3) summarize watershed modeling outputs and resulting pollution load allocations; and  
 161.20 wasteload allocations; and priority areas for targeting actions to improve water quality and  
 161.21 identify areas with high pollutant-loading rates;

161.22 (4) identify point sources of pollution for which a national pollutant discharge elimination  
 161.23 system permit is required under section 115.03;

161.24 (5) identify nonpoint sources of pollution for which a national pollutant discharge  
 161.25 elimination system permit is not required under section 115.03, with sufficient specificity  
 161.26 to prioritize and geographically locate inform watershed restoration and protection actions  
 161.27 strategies;

161.28 (6) describe the current pollution loading and load reduction needed for each source or  
 161.29 source category to meet water quality standards and goals, including wasteload and load  
 161.30 allocations from TMDL's;

162.1 (7) ~~contain a plan for ongoing~~ identify water quality monitoring needed to fill data gaps,  
 162.2 determine changing conditions, ~~and~~ or gauge implementation effectiveness; and

162.3 (8) contain ~~an implementation table of strategies and actions~~ that are capable of  
 162.4 cumulatively achieving needed pollution load reductions for point and nonpoint sources,  
 162.5 including identifying:

162.6 (i) water quality parameters of concern;

162.7 (ii) current water quality conditions;

162.8 (iii) water quality goals and targets by parameter of concern; and

162.9 (iv) strategies ~~and actions by parameter of concern~~ and an example of the scale of  
 162.10 adoptions needed for each; with a timeline to meet the water quality restoration or protection  
 162.11 goals of this chapter.

162.12 ~~(v) a timeline for achievement of water quality targets;~~

162.13 ~~(vi) the governmental units with primary responsibility for implementing each watershed~~  
 162.14 ~~restoration or protection strategy; and~~

162.15 ~~(vii) a timeline and interim milestones for achievement of watershed restoration or~~  
 162.16 ~~protection implementation actions within ten years of strategy adoption.~~

162.17 Subd. 2. **Reporting.** ~~Beginning July 1, 2016, and every other year thereafter, The~~  
 162.18 commissioner of the Pollution Control Agency must periodically report on its the agency's  
 162.19 Web site the progress toward implementation milestones and water quality goals for all  
 162.20 adopted TMDL's and, where available, WRAPS's.

162.21 Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the Pollution~~  
 162.22 ~~Control Agency must complete WRAPS's for at least ten percent of watershed restoration~~  
 162.23 ~~and protection strategies for the state's major watersheds. WRAPS shall be by June 30,~~  
 162.24 2023, unless the commissioner determines that a comprehensive watershed management  
 162.25 plan or comprehensive local water management plan, in whole or part, meets the definition  
 162.26 in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the  
 162.27 strategies, in whole or part, after consultation with the Board of Water and Soil Resources  
 162.28 and local government units.

162.29 (b) Watershed restoration and protection strategies are governed by the procedures for  
 162.30 approval and notice in section 114D.25, subdivisions 2 and 4, except that ~~WRAPS~~ the  
 162.31 strategies need not be submitted to the United States Environmental Protection Agency.

163.1 Sec. 61. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

163.2 Subdivision 1. **Public and stakeholder participation.** (a) Public agencies and private  
 163.3 entities involved in the implementation of implementing this chapter shall must encourage  
 163.4 participation by the public and stakeholders, including local citizens, landowners and, land  
 163.5 managers, and public and private organizations, in identifying impaired waters, in developing  
 163.6 TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in  
 163.7 identifying degraded groundwater, and in protecting and restoring groundwater resources.

163.8 (b) In particular, the commissioner of the Pollution Control Agency shall must make  
 163.9 reasonable efforts to provide timely information to the public and to stakeholders about  
 163.10 impaired waters that have been identified by the agency. The agency shall seek broad and  
 163.11 early public and stakeholder participation in scoping the activities necessary to develop a  
 163.12 TMDL, including the scientific models, methods, and approaches to be used in TMDL  
 163.13 development, and to implement restoration pursuant to section 114D.15, subdivision 7. and  
 163.14 to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.

163.15 (c) Public agencies and private entities involved in implementing restoration and  
 163.16 protection identified in a comprehensive watershed management plan or comprehensive  
 163.17 local water management plan must make efforts to inform, consult, and involve the public  
 163.18 and stakeholders.

163.19 (d) The commissioner of the Pollution Control Agency and the Board of Water and Soil  
 163.20 Resources must coordinate public and stakeholder participation in consultation with local  
 163.21 government units. To the extent practicable, implementation of this chapter shall be  
 163.22 accomplished in cooperation with local, state, federal, and tribal governments and private  
 163.23 sector organizations.

163.24 Sec. 62. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

163.25 Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing,  
 163.26 educating, and encouraging the participation of citizens, stakeholders, and others regarding  
 163.27 ~~the identification of impaired waters, development of TMDL's, development of TMDL~~  
 163.28 ~~implementation plans, implementation of restoration for impaired waters, identification of~~  
 163.29 ~~degraded groundwater, and protection and restoration of groundwater resources~~ this chapter.  
 163.30 Public agencies shall be are responsible for implementing the strategies.

164.1 Sec. 63. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

164.2 Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a)

164.3 Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with  
 164.4 respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall  
 164.5 have the authority to perform any and all acts minimally necessary including, but not limited  
 164.6 to, the establishment and application of standards, procedures, rules, orders, variances,  
 164.7 stipulation agreements, schedules of compliance, and permit conditions, consistent with  
 164.8 and, therefore not less stringent than the provisions of the Federal Water Pollution Control  
 164.9 Act, as amended, applicable to the participation by the state of Minnesota in the national  
 164.10 pollutant discharge elimination system (NPDES); provided that this provision shall not be  
 164.11 construed as a limitation on any powers or duties otherwise residing with the agency pursuant  
 164.12 to any provision of law.

164.13 (b) An activity that conveys or connects waters of the state without subjecting the  
 164.14 transferred water to intervening industrial, municipal, or commercial use does not require  
 164.15 a national pollutant discharge elimination system permit. This exemption does not apply to  
 164.16 pollutants introduced by the activity itself to the water being transferred.

164.17 Sec. 64. Minnesota Statutes 2016, section 115.03, is amended by adding a subdivision to  
 164.18 read:

164.19 Subd. 5d. **Sugar beet storage.** Notwithstanding any other law to the contrary, the  
 164.20 commissioner shall not require a permittee who owns and operates a remote sugar beet  
 164.21 storage facility to install sedimentation pond liners as part of a national pollutant discharge  
 164.22 elimination system or state disposal system permit. For purposes of this subdivision, "remote  
 164.23 sugar beet storage facility" means an area where sugar beets are temporarily stored prior to  
 164.24 delivery to a sugar beet processing facility that is not located on land adjacent to the  
 164.25 processing facility.

164.26 Sec. 65. Minnesota Statutes 2016, section 115.035, is amended to read:

164.27 **115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.**

164.28 ~~(a) When the commissioner convenes an external peer review panel during the~~  
 164.29 ~~promulgation or amendment of water quality standards, the commissioner must provide~~  
 164.30 ~~notice and take public comment on the charge questions for the external peer review panel~~  
 164.31 ~~and must allow written and oral public comment as part of the external peer review panel~~  
 164.32 ~~process. Every new or revised numeric water quality standard must be supported by a~~  
 164.33 ~~technical support document that provides the scientific basis for the proposed standard and~~

165.1 that has undergone external, scientific peer review. Numeric water quality standards in  
165.2 which the agency is adopting, without change, a United States Environmental Protection  
165.3 Agency criterion that has been through peer review are not subject to this paragraph.  
165.4 Documentation of the external peer review panel, including the name or names of the peer  
165.5 reviewer or reviewers, must be included in the statement of need and reasonableness for  
165.6 the water quality standard. ~~If the commissioner does not convene an external peer review~~  
165.7 ~~panel during the promulgation or amendment of water quality standards, the commissioner~~  
165.8 ~~must state the reason an external peer review panel will not be convened in the statement~~  
165.9 ~~of need and reasonableness.~~

165.10 (b) Every technical support document developed by the agency must be released in draft  
165.11 form for public comment before peer review and before finalizing the technical support  
165.12 document.

165.13 (c) The commissioner must provide public notice and information about the external  
165.14 peer review through the request for comments published at the beginning of the rulemaking  
165.15 process for the numeric water quality standard, and:

165.16 (1) the request for comments must identify the draft technical support document and  
165.17 where the document can be found;

165.18 (2) the request for comments must include a proposed charge for the external peer review  
165.19 and request comments on the charge;

165.20 (3) all comments received during the public comment period must be made available to  
165.21 the external peer reviewers; and

165.22 (4) if the agency is not soliciting external peer review because the agency is adopting a  
165.23 United States Environmental Protection Agency criterion without change, that must be  
165.24 noted in the request for comments.

165.25 (d) The purpose of the external peer review is to evaluate whether the technical support  
165.26 document and proposed standard are based on sound scientific knowledge, methods, and  
165.27 practices. The external peer review must be conducted according to the guidance in the  
165.28 most recent edition of the United States Environmental Protection Agency's Peer Review  
165.29 Handbook. Peer reviewers must not have participated in developing the scientific basis of  
165.30 the standard. Peer reviewers must disclose any activities or circumstances that could pose  
165.31 a conflict of interest or create an appearance of a loss of impartiality that could interfere  
165.32 with an objective review.

166.1 (e) The type of review and the number of peer reviewers depends on the nature of the  
 166.2 science underlying the standard. When the agency is developing significant new science or  
 166.3 science that expands significantly beyond current documented scientific practices or  
 166.4 principles, a panel review must be used.

166.5 (f) In response to the findings of the external peer review, the draft technical support  
 166.6 document must be revised as appropriate. The findings of the external peer review must be  
 166.7 documented and attached to the final technical support document, which must be an exhibit  
 166.8 as part of the statement of need and reasonableness in the rulemaking to adopt the new or  
 166.9 revised water quality standard. The final technical support document must note changes  
 166.10 made in response to the external peer review.

166.11 ~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web  
 166.12 site a report identifying the water quality standards development work in progress or  
 166.13 completed in the past year, the lead agency scientist for each development effort, and  
 166.14 opportunities for public input.

166.15 Sec. 66. **[115.455] EFFLUENT LIMITATION COMPLIANCE.**

166.16 To the extent allowable under federal law, for a municipality that constructs a publicly  
 166.17 owned treatment works facility or for an industrial national pollutant discharge elimination  
 166.18 system and state disposal system permit holder that constructs a treatment works facility to  
 166.19 comply with a new or modified effluent limitation, compliance with any new or modified  
 166.20 effluent limitation adopted after construction begins that would require additional capital  
 166.21 investment is required no sooner than 16 years after the date the facility begins operating.

166.22 Sec. 67. Minnesota Statutes 2016, section 115A.51, is amended to read:

166.23 **115A.51 APPLICATION REQUIREMENTS.**

166.24 (a) Applications for assistance under the program shall demonstrate:

166.25 ~~(a)~~ (1) that the project is conceptually and technically feasible;

166.26 ~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to  
 166.27 provide necessary local financing, and to accept and exercise the government powers  
 166.28 necessary to the project;

166.29 ~~(c)~~ (3) that operating revenues from the project, considering the availability and security  
 166.30 of sources of solid waste and of markets for recovered resources, together with any proposed  
 166.31 federal, state, or local financial assistance, will be sufficient to pay all costs over the projected  
 166.32 life of the project;

167.1 ~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal,  
167.2 including the use of existing solid waste management facilities with reasonably available  
167.3 capacity sufficient to accomplish the goals of the proposed project, and has compared and  
167.4 evaluated the costs of the alternatives, including capital and operating costs, and the effects  
167.5 of the alternatives on the cost to generators;

167.6 (5) that the applicant has identified waste management objectives in applicable county  
167.7 and regional solid waste management plans consistent with sections 115A.46, subdivision  
167.8 2, and 473.149, subdivision 1, and other solid waste facilities identified in the county and  
167.9 regional plan; and

167.10 (6) that the applicant has conducted a comparative analysis of the project against existing  
167.11 public and private solid waste facilities, including an analysis of potential displacement of  
167.12 facilities to determine whether the project is the most appropriate alternative to achieve the  
167.13 identified waste management objectives, which considers:

167.14 (i) conformity with approved county or regional solid waste management plans;

167.15 (ii) consistency with the state's solid waste hierarchy and sections 115A.46, subdivision  
167.16 2, paragraphs (e) and (f), and 473.149, subdivision 1; and

167.17 (iii) environmental standards related to public health, air, surface water, and groundwater.

167.18 (b) The commissioner may require completion of a comprehensive solid waste  
167.19 management plan conforming to the requirements of section 115A.46, before accepting an  
167.20 application. Within five days of filing an application with the agency, the applicant must  
167.21 submit a copy of the application to each solid waste management facility mentioned in the  
167.22 portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

167.23 Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

167.24 Subd. 2. **Local authority.** A city or town may organize collection, after public notification  
167.25 and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as  
167.26 provided in subdivision 5. A city or town that has organized collection as of May 1, 2013,  
167.27 is exempt from subdivisions 4a to ~~4d~~ 4f.

167.28 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
167.29 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
167.30 that date.

168.1 Sec. 69. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

168.2 Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise,  
 168.3 license, contract, or other means of organizing collection, a city or town, by resolution of  
 168.4 the governing body, must establish ~~an organized~~ a solid waste collection options committee  
 168.5 to identify, examine, and evaluate various methods of ~~organized~~ solid waste collection. The  
 168.6 governing body shall appoint the committee members.

168.7 (b) The ~~organized~~ solid waste collection options committee is subject to chapter 13D.

168.8 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
 168.9 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
 168.10 that date.

168.11 Sec. 70. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

168.12 Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

168.13 (1) determine which methods of ~~organized~~ solid waste collection to examine, which  
 168.14 must include:

168.15 (i) the existing system of collection;

168.16 ~~(ii)~~ (ii) a system in which a single collector collects solid waste from all sections of a  
 168.17 city or town; and

168.18 ~~(iii)~~ (iii) a system in which multiple collectors, either singly or as members of an  
 168.19 organization of collectors, collect solid waste from different sections of a city or town;

168.20 (2) establish a list of criteria on which the ~~organized~~ solid waste collection methods  
 168.21 selected for examination will be evaluated, which may include: costs to residential  
 168.22 subscribers, impacts on residential subscribers' ability to choose a provider of solid waste  
 168.23 service based on the desired level of service, costs and other factors, the impact of miles  
 168.24 driven by collection vehicles on city streets and alleys and the incremental impact of miles  
 168.25 driven by collection vehicles, initial and operating costs to the city of implementing the  
 168.26 ~~organized~~ solid waste collection system, providing incentives for waste reduction, impacts  
 168.27 on solid waste collectors, and other physical, economic, fiscal, social, environmental, and  
 168.28 aesthetic impacts;

168.29 (3) collect information regarding the operation and efficacy of existing methods of  
 168.30 ~~organized~~ solid waste collection in other cities and towns;

168.31 (4) seek input from, at a minimum:

- 169.1 (i) the governing body of the city or town;
- 169.2 (ii) the local official of the city or town responsible for solid waste issues;
- 169.3 (iii) persons currently licensed to operate solid waste collection and recycling services
- 169.4 in the city or town; and
- 169.5 (iv) residents of the city or town who currently pay for residential solid waste collection
- 169.6 services; and
- 169.7 (5) issue a report on the committee's research, findings, and any recommendations to
- 169.8 the governing body of the city or town.

169.9 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized

169.10 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after

169.11 that date.

169.12 Sec. 71. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

169.13 Subd. 4c. **Governing body; implementation.** The governing body of the city or town

169.14 shall consider the report and recommendations of the ~~organized~~ organized solid waste collection

169.15 options committee. The governing body must provide public notice and hold at least one

169.16 public hearing before deciding whether to implement organized collection. Organized

169.17 collection may begin no sooner than six months after the effective date of the decision of

169.18 the governing body of the city or town to implement organized collection.

169.19 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized

169.20 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after

169.21 that date.

169.22 Sec. 72. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

169.23 Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing

169.24 a committee under subdivision 4a to consider organizing residential solid waste collection,

169.25 a city or town with more than one licensed collector must notify the public and all licensed

169.26 collectors in the community. The city or town must provide a ~~60-day~~ period of at least 60

169.27 days in which meetings and negotiations shall occur exclusively between licensed collectors

169.28 and the city or town to develop a proposal in which interested licensed collectors, as members

169.29 of an organization of collectors, collect solid waste from designated sections of the city or

169.30 town. The proposal shall include identified city or town priorities, including issues related

169.31 to zone creation, traffic, safety, environmental performance, service provided, and price,

169.32 and shall reflect existing haulers maintaining their respective market share of business as

170.1 determined by each hauler's average customer count during the six months prior to the  
170.2 commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be  
170.3 excluded from the proposal, the city may allocate their customers proportionally based on  
170.4 market share to the participating collectors who choose to negotiate. The initial organized  
170.5 collection agreement executed under this subdivision must be for ~~a period of three to seven~~  
170.6 years. Upon execution of an agreement between the participating licensed collectors and  
170.7 city or town, the city or town shall establish organized collection through appropriate local  
170.8 controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except  
170.9 that the governing body must provide the public notification and hearing required under  
170.10 subdivision 4c.

170.11 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
170.12 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
170.13 that date.

170.14 Sec. 73. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision  
170.15 to read:

170.16 Subd. 4e. **Parties to meet and confer.** Before the exclusive meetings and negotiations  
170.17 under subdivision 4d, participating licensed collectors and elected officials of the city or  
170.18 town must meet and confer regarding waste collection issues, including but not limited to  
170.19 road deterioration, public safety, pricing mechanisms, and contractual considerations unique  
170.20 to organized collection.

170.21 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
170.22 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
170.23 that date.

170.24 Sec. 74. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision  
170.25 to read:

170.26 Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection  
170.27 agreement must not obligate a participating licensed collector for damages to third parties  
170.28 solely caused by another participating licensed collector. The organized collection agreement  
170.29 may include joint obligations for actions that are undertaken by all the participating licensed  
170.30 collectors under this section.

170.31 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
170.32 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
170.33 that date.

171.1 Sec. 75. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

171.2 Subd. 5. **County organized collection.** (a) A county may by ordinance require cities  
171.3 and towns within the county to organize collection. Organized collection ordinances of  
171.4 counties may:

171.5 (1) require cities and towns to require the separation and separate collection of recyclable  
171.6 materials;

171.7 (2) specify the material to be separated; and

171.8 (3) require cities and towns to meet any performance standards for source separation  
171.9 that are contained in the county solid waste plan.

171.10 (b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city  
171.11 or town that does not comply with a county organized collection ordinance adopted under  
171.12 this subdivision, and the county may implement, as part of its organized collection, the  
171.13 source separation program and performance standards required by its organized collection  
171.14 ordinance.

171.15 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
171.16 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
171.17 that date.

171.18 Sec. 76. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

171.19 Subdivision 1. **Definition.** For purposes of this section and section 115B.53, the term  
171.20 "settlement" means the agreement and order entered on February 20, 2018, settling litigation  
171.21 commenced by the state against the 3M Company under section 115B.17, subdivision 7.

171.22 Subd. 2. **Establishment.** The water quality and sustainability account is established as  
171.23 an account in the remediation fund. The account consists of revenue deposited in the account  
171.24 under the terms of the settlement and earnings on the investment of money in the account.

171.25 Subd. 3. **Expenditures.** Money in the account is appropriated to the commissioner of  
171.26 the Pollution Control Agency and to the commissioner of natural resources for the purposes  
171.27 authorized under the settlement.

171.28 Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the  
171.29 commissioner of natural resources must jointly submit:

171.30 (1) a biannual report to the chairs and ranking minority members of the legislative policy  
171.31 and finance committees with jurisdiction over environment and natural resources on

172.1 expenditures from the water quality and sustainability account during the previous six  
 172.2 months; and

172.3 (2) by November 1 each year, a report to the legislature on expenditures from the water  
 172.4 quality and sustainability account during the previous fiscal year and a spending plan for  
 172.5 anticipated expenditures from the account during the current fiscal year.

172.6 Sec. 77. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

172.7 The commissioner of the Pollution Control Agency and the commissioner of natural  
 172.8 resources must work with stakeholders to identify and recommend projects to receive funding  
 172.9 from the water quality and sustainability account under the settlement. Stakeholders include,  
 172.10 at a minimum, representatives of the agency, the Department of Natural Resources, east  
 172.11 metropolitan area municipalities, and the 3M Company.

172.12 Sec. 78. Minnesota Statutes 2016, section 116.07, subdivision 2, is amended to read:

172.13 Subd. 2. **Adopting standards.** (a) The Pollution Control Agency shall improve air  
 172.14 quality by promoting, in the most practicable way possible, the use of energy sources and  
 172.15 waste disposal methods which produce or emit the least air contaminants consistent with  
 172.16 the agency's overall goal of reducing all forms of pollution. The agency shall also adopt  
 172.17 standards of air quality, including maximum allowable standards of emission of air  
 172.18 contaminants from motor vehicles, recognizing that due to variable factors, no single standard  
 172.19 of purity of air is applicable to all areas of the state. In adopting standards the Pollution  
 172.20 Control Agency shall give due recognition to the fact that the quantity or characteristics of  
 172.21 air contaminants or the duration of their presence in the atmosphere, which may cause air  
 172.22 pollution in one area of the state, may cause less or not cause any air pollution in another  
 172.23 area of the state, and it shall take into consideration in this connection such factors, including  
 172.24 others which it may deem proper, as existing physical conditions, zoning classifications,  
 172.25 topography, prevailing wind directions and velocities, and the fact that a standard of air  
 172.26 quality which may be proper as to an essentially residential area of the state, may not be  
 172.27 proper as to a highly developed industrial area of the state. Such standards of air quality  
 172.28 shall be premised upon scientific knowledge of causes as well as effects based on technically  
 172.29 substantiated criteria and commonly accepted practices. No local government unit shall set  
 172.30 standards of air quality which are more stringent than those set by the Pollution Control  
 172.31 Agency. Consistent with this recognition of the variability of air contamination levels and  
 172.32 conditions across the state, the agency must not apply or enforce a national or state ambient  
 172.33 air quality standard as an applicable standard for an individual source under an individual

173.1 facility permit issued pursuant to Code of Federal Regulations, title 40, part 70, unless the  
173.2 permittee is a temporary source issued a permit under United States Code, title 42, section  
173.3 7661c, paragraph (e).

173.4 (b) The Pollution Control Agency shall promote solid waste disposal control by  
173.5 encouraging the updating of collection systems, elimination of open dumps, and  
173.6 improvements in incinerator practices. The agency shall also adopt standards for the control  
173.7 of the collection, transportation, storage, processing, and disposal of solid waste and sewage  
173.8 sludge for the prevention and abatement of water, air, and land pollution, recognizing that  
173.9 due to variable factors, no single standard of control is applicable to all areas of the state.  
173.10 In adopting standards, the Pollution Control Agency shall give due recognition to the fact  
173.11 that elements of control which may be reasonable and proper in densely populated areas of  
173.12 the state may be unreasonable and improper in sparsely populated or remote areas of the  
173.13 state, and it shall take into consideration in this connection such factors, including others  
173.14 which it may deem proper, as existing physical conditions, topography, soils and geology,  
173.15 climate, transportation, and land use. Such standards of control shall be premised on technical  
173.16 criteria and commonly accepted practices.

173.17 (c) The Pollution Control Agency shall also adopt standards describing the maximum  
173.18 levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere,  
173.19 recognizing that due to variable factors no single standard of sound pressure is applicable  
173.20 to all areas of the state. Such standards shall give due consideration to such factors as the  
173.21 intensity of noises, the types of noises, the frequency with which noises recur, the time  
173.22 period for which noises continue, the times of day during which noises occur, and such  
173.23 other factors as could affect the extent to which noises may be injurious to human health  
173.24 or welfare, animal or plant life, or property, or could interfere unreasonably with the  
173.25 enjoyment of life or property. In adopting standards, the Pollution Control Agency shall  
173.26 give due recognition to the fact that the quantity or characteristics of noise or the duration  
173.27 of its presence in the outdoor atmosphere, which may cause noise pollution in one area of  
173.28 the state, may cause less or not cause any noise pollution in another area of the state, and  
173.29 it shall take into consideration in this connection such factors, including others which it  
173.30 may deem proper, as existing physical conditions, zoning classifications, topography,  
173.31 meteorological conditions and the fact that a standard which may be proper in an essentially  
173.32 residential area of the state, may not be proper as to a highly developed industrial area of  
173.33 the state. Such noise standards shall be premised upon scientific knowledge as well as effects  
173.34 based on technically substantiated criteria and commonly accepted practices. No local

174.1 governing unit shall set standards describing the maximum levels of sound pressure which  
174.2 are more stringent than those set by the Pollution Control Agency.

174.3 (d) The Pollution Control Agency shall adopt standards for the identification of hazardous  
174.4 waste and for the management, identification, labeling, classification, storage, collection,  
174.5 transportation, processing, and disposal of hazardous waste, recognizing that due to variable  
174.6 factors, a single standard of hazardous waste control may not be applicable to all areas of  
174.7 the state. In adopting standards, the Pollution Control Agency shall recognize that elements  
174.8 of control which may be reasonable and proper in densely populated areas of the state may  
174.9 be unreasonable and improper in sparsely populated or remote areas of the state. The agency  
174.10 shall consider existing physical conditions, topography, soils, and geology, climate,  
174.11 transportation and land use. Standards of hazardous waste control shall be premised on  
174.12 technical knowledge, and commonly accepted practices. Hazardous waste generator licenses  
174.13 may be issued for a term not to exceed five years. No local government unit shall set  
174.14 standards of hazardous waste control which are in conflict or inconsistent with those set by  
174.15 the Pollution Control Agency.

174.16 (e) A person who generates less than 100 kilograms of hazardous waste per month is  
174.17 exempt from the following agency hazardous waste rules:

174.18 (1) rules relating to transportation, manifesting, storage, and labeling for photographic  
174.19 fixer and x-ray negative wastes that are hazardous solely because of silver content; and

174.20 (2) any rule requiring the generator to send to the agency or commissioner a copy of  
174.21 each manifest for the transportation of hazardous waste for off-site treatment, storage, or  
174.22 disposal, except that counties within the metropolitan area may require generators to provide  
174.23 manifests.

174.24 Nothing in this paragraph exempts the generator from the agency's rules relating to on-site  
174.25 accumulation or outdoor storage. A political subdivision or other local unit of government  
174.26 may not adopt management requirements that are more restrictive than this paragraph.

174.27 (f) In any rulemaking proceeding under chapter 14 to adopt standards for air quality,  
174.28 solid waste, or hazardous waste under this chapter, or standards for water quality under  
174.29 chapter 115, the statement of need and reasonableness must include:

174.30 (1) an assessment of any differences between the proposed rule and:

174.31 (i) existing federal standards adopted under the Clean Air Act, United States Code, title  
174.32 42, section 7412(b)(2); the Clean Water Act, United States Code, title 33, sections 1312(a)

175.1 and 1313(c)(4); and the Resource Conservation and Recovery Act, United States Code, title  
175.2 42, section 6921(b)(1);

175.3 (ii) similar standards in states bordering Minnesota; and

175.4 (iii) similar standards in states within the Environmental Protection Agency Region 5;

175.5 and

175.6 (2) a specific analysis of the need and reasonableness of each difference.

175.7 If the proposed standards in a rulemaking subject to this paragraph are more stringent than  
175.8 comparable federal standards, the statement of need and reasonableness must, in addition  
175.9 to the requirements of this paragraph, include documentation that the federal standard does  
175.10 not provide adequate protection for public health and the environment.

175.11 Sec. 79. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to  
175.12 read:

175.13 Subd. 2c. Exemption from standards for temporary storage facilities subject to  
175.14 control. (a) A temporary storage facility located at a commodity facility that is required to  
175.15 be controlled under Minnesota Rules, part 7011.1005, subpart 3, is not subject to Minnesota  
175.16 Rules, parts 7011.1000 to 7011.1015. For all portable equipment and fugitive dust emissions  
175.17 directly associated with the temporary storage facility, it is determined that there is no  
175.18 applicable specific standard of performance.

175.19 (b) For the purposes of this subdivision, the following terms have the meanings given  
175.20 to them:

175.21 (1) "temporary storage facility" means a facility storing grain that:

175.22 (i) uses an asphalt, concrete, or comparable base material;

175.23 (ii) has rigid, self-supporting sidewalls;

175.24 (iii) provides adequate aeration; and

175.25 (iv) provides an acceptable covering; and

175.26 (2) "portable equipment" means equipment that is not fixed at any one spot and can be  
175.27 moved, including but not limited to portable receiving pits, portable augers and conveyors,  
175.28 and portable reclaim equipment directly associated with the temporary storage facility.

175.29 Sec. 80. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

175.30 **116.0714 NEW OPEN-AIR SWINE BASINS.**

176.1 (a) The commissioner of the Pollution Control Agency or a county board shall not  
176.2 approve any permits for the construction of new open-air swine basins, except that existing  
176.3 facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste  
176.4 treatment program for resolving pollution problems or to allow conversion of an existing  
176.5 basin of less than 1,000,000 gallons to a different animal type, provided all standards are  
176.6 met. This section expires June 30, 2022.

176.7 (b) This section does not apply to basins used solely for wastewater from truck-washing  
176.8 facilities.

176.9 Sec. 81. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

176.10 Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in  
176.11 the state treasury to provide a reliable source of public money for response and corrective  
176.12 actions to address releases of hazardous substances, pollutants or contaminants, agricultural  
176.13 chemicals, and petroleum, and for environmental response actions at qualified landfill  
176.14 facilities for which the agency has assumed such responsibility, including perpetual care of  
176.15 such facilities. The specific purposes for which the general portion of the fund may be spent  
176.16 are provided in subdivision 2. In addition to the general portion of the fund, the fund contains  
176.17 ~~two~~ three accounts described in subdivisions 4 ~~and 5~~ to 5a.

176.18 Sec. 82. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision  
176.19 to read:

176.20 Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability  
176.21 account is as described in section 115B.52.

176.22 Sec. 83. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

176.23 Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower  
176.24 must:

176.25 (1) be a small business corporation, sole proprietorship, partnership, or association;

176.26 (2) be a potential emitter of pollutants to the air, ground, or water;

176.27 (3) need capital for equipment purchases that will meet or exceed environmental  
176.28 regulations or need capital for site investigation and cleanup;

176.29 (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and

176.30 (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; and.

177.1 ~~(6) have a net worth of less than \$1,000,000.~~

177.2 Sec. 84. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

177.3 Subd. 6. **Loan conditions.** A loan made under this section must include:

177.4 (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever~~  
177.5 ~~is greater~~ not to exceed five percent;

177.6 (2) a term of payment of not more than seven years; and

177.7 (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

177.8 Sec. 85. Minnesota Statutes 2016, section 216G.01, subdivision 3, is amended to read:

177.9 Subd. 3. **Pipeline.** "Pipeline" means a pipeline owned or operated by a condemning  
177.10 authority, as defined in section 117.025, subdivision 4, located in this state which is used  
177.11 to transport natural or synthetic gas at a pressure of more than 90 pounds per square inch,  
177.12 or to transport crude petroleum or petroleum fuels or oil or their derivatives, coal, anhydrous  
177.13 ammonia or any mineral slurry to a distribution center or storage facility which is located  
177.14 within or outside of this state. "Pipeline" does not include a pipeline owned or operated by  
177.15 a natural gas public utility as defined in section 216B.02, subdivision 4.

177.16 Sec. 86. Minnesota Statutes 2016, section 349A.05, is amended to read:

177.17 **349A.05 RULES.**

177.18 The director may adopt rules under chapter 14 governing the following elements of the  
177.19 lottery:

177.20 (1) the number and types of lottery retailers' locations;

177.21 (2) qualifications of lottery retailers and application procedures for lottery retailer  
177.22 contracts;

177.23 (3) investigation of lottery retailer applicants;

177.24 (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;

177.25 (5) compensation of lottery retailers consistent with section 349A.17;

177.26 (6) accounting for and deposit of lottery revenues by lottery retailers;

177.27 (7) procedures for issuing lottery procurement contracts and for the investigation of  
177.28 bidders on those contracts;

177.29 (8) payment of prizes;

178.1 (9) procedures needed to ensure the integrity and security of the lottery; and  
 178.2 (10) other rules the director considers necessary for the efficient operation and  
 178.3 administration of the lottery.

178.4 **EFFECTIVE DATE.** This section is effective August 1, 2018.

178.5 Sec. 87. **[349A.17] LOTTERY RETAILER COMMISSIONS.**

178.6 (a) The director of the State Lottery shall pay a lottery retailer at least the following  
 178.7 amounts:

178.8 (1) 5.5 percent on the price of a ticket sold by the retailer for a lottery game for which  
 178.9 the winner is determined by a drawing;

178.10 (2) six percent on the price of a ticket sold by the retailer for a lottery game in which  
 178.11 the winner is determined without a drawing; and

178.12 (3) 1.5 percent of the amount of a winning ticket cashed by the retailer.

178.13 (b) The director of the State Lottery may adopt rules for retailer compensation or  
 178.14 commission that exceeds the amounts specified in this section. The director of the State  
 178.15 Lottery shall periodically review lottery ticket sales and make adjustments to lottery retailer  
 178.16 commission rates, consistent with this section, as deemed necessary to maintain appropriate  
 178.17 return to the state.

178.18 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to tickets  
 178.19 sold on or after that date.

178.20 Sec. 88. **[383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER**  
 178.21 **CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

178.22 Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil  
 178.23 and Water Conservation District is discontinued effective July 1, 2018, and its duties and  
 178.24 authorities are transferred to the Ramsey County Board of Commissioners.

178.25 Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of  
 178.26 Commissioners has the duties and authorities of a soil and water conservation district. All  
 178.27 contracts in effect on the date of the discontinuance of the district to which Ramsey Soil  
 178.28 and Water Conservation District is a party remain in force and effect for the period provided  
 178.29 in the contracts. The Ramsey County Board of Commissioners shall be substituted for the  
 178.30 Ramsey Soil and Water Conservation District as party to the contracts and succeed to the  
 178.31 district's rights and duties.

179.1 Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board  
 179.2 of Supervisors shall transfer the assets of the district to the Ramsey County Board of  
 179.3 Commissioners. The Ramsey County Board of Commissioners shall use the transferred  
 179.4 assets for the purposes of implementing the transferred duties and authorities.

179.5 Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition  
 179.6 the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water  
 179.7 Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources  
 179.8 under its authority in section 103C.201, and after giving notice of corrective actions and  
 179.9 time to implement the corrective actions, may reestablish the Ramsey Soil and Water  
 179.10 Conservation District if it determines the goals established in section 103C.005 are not  
 179.11 being achieved. The Minnesota Board of Water and Soil Resources may reestablish the  
 179.12 Ramsey Soil and Water Conservation District under this subdivision without a referendum.

179.13 **EFFECTIVE DATE.** This section is effective the day after the Ramsey County Board  
 179.14 of Commissioners and its chief clerical officer timely complete their compliance with  
 179.15 Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before July 1, 2018.

179.16 Sec. 89. Minnesota Statutes 2016, section 473.149, subdivision 3, is amended to read:

179.17 **Subd. 3. Preparation; adoption; and revision.** (a) The solid waste policy plan shall be  
 179.18 prepared, adopted, and revised as necessary in accordance with paragraphs (c) to (e), after  
 179.19 consultation with the metropolitan counties.

179.20 (b) Revisions to the policy plan are exempt from the rulemaking provisions of chapter  
 179.21 14. Any goal, policy, criteria, or standard contained in the policy plan may not be required  
 179.22 of or enforced against a county or private party and does not have the force and effect of  
 179.23 law unless required by statute or adopted in accordance with chapter 14.

179.24 (c) Before beginning preparation of revisions to the policy plan, the commissioner shall  
 179.25 publish a predrafting notice in the State Register that includes a statement of the subjects  
 179.26 expected to be covered by the revisions, including a summary of the important problems  
 179.27 and issues. The notice must solicit comments from the public and state that the comments  
 179.28 must be received by the commissioner within 45 days of publication of the notice. The  
 179.29 commissioner shall consider the comments in preparing the revisions.

179.30 (d) After publication of the predrafting notice and before adopting revisions to the policy  
 179.31 plan, the commissioner shall publish a notice in the State Register that:

179.32 (1) contains a summary of the proposed revisions;

179.33 (2) invites public comment;

180.1 (3) lists locations where the proposed revised policy plan can be reviewed and states  
180.2 that copies of the proposed revised policy plan can also be obtained from the Pollution  
180.3 Control Agency;

180.4 (4) states a location for a public meeting on the revisions at a time no earlier than 30  
180.5 days from the date of publication; and

180.6 (5) advises the public that they have 30 days from the date of the public meeting in  
180.7 clause (4) to submit comments on the revisions to the commissioner.

180.8 (e) At the meeting described in paragraph (d), clause (4), the public shall be given an  
180.9 opportunity to present their views on the policy plan revisions. The commissioner shall  
180.10 incorporate any amendments to the proposed revisions that, in the commissioner's view,  
180.11 will help to carry out the requirements of subdivisions 1, 2d, and 2e. At or before the time  
180.12 that policy plan revisions are finally adopted, the commissioner shall issue a report that  
180.13 addresses issues raised in the public comments. The report shall be made available to the  
180.14 public and mailed to interested persons who have submitted their names and addresses to  
180.15 the commissioner.

180.16 (f) The criteria and standards adopted in the policy plan for review of solid waste facility  
180.17 permits pursuant to section 473.823, subdivision 3; for issuance of certificates of need  
180.18 pursuant to section 473.823, subdivision 6; and for review of solid waste contracts pursuant  
180.19 to section 473.813 may be appealed to the Court of Appeals within 30 days after final  
180.20 adoption of the policy plan. The court may declare the challenged portion of the policy plan  
180.21 invalid if it violates constitutional provisions, is in excess of statutory authority of the  
180.22 commissioner, or was adopted without compliance with the procedures in this subdivision.  
180.23 The review shall be on the record created during the adoption of the policy plan, except that  
180.24 additional evidence may be included in the record if the court finds that the additional  
180.25 evidence is material and there were good reasons for failure to present it in the proceedings  
180.26 described in paragraphs (c) to (e).

180.27 (g) The Metropolitan Council or a metropolitan county, local government unit,  
180.28 commission, or person shall not acquire, construct, improve or operate any solid waste  
180.29 facility in the metropolitan area except in accordance with the plan and section 473.823,  
180.30 provided that no solid waste facility in use when a plan is adopted shall be discontinued  
180.31 solely because it is not located in an area designated in the plan as acceptable for the location  
180.32 of such facilities.

181.1 Sec. 90. Minnesota Statutes 2016, section 473.8441, subdivision 4, is amended to read:

181.2 Subd. 4. **Grant conditions.** The commissioner shall administer grants so that the  
181.3 following conditions are met:

181.4 (a) A county must apply for a grant in the manner determined by the commissioner. The  
181.5 application must describe the activities for which the grant will be used.

181.6 (b) The activities funded must be consistent with the metropolitan policy plan and the  
181.7 county master plan.

181.8 (c) A grant must be matched by equal ~~county~~ local expenditures for the activities for  
181.9 which the grant is made. A local expenditure may include but is not limited to an expenditure  
181.10 by a local unit of government, tribal government, or private sector or nonprofit organization.

181.11 (d) All grant funds must be used for new activities or to enhance or increase the  
181.12 effectiveness of existing activities in the county. Grant funds shall not be used for research  
181.13 or development of a product that would be patented, copyrighted, or a subject of trade  
181.14 secrets.

181.15 (e) Counties shall provide support to maintain effective municipal recycling where it is  
181.16 already established.

181.17 Sec. 91. Laws 2015, First Special Session chapter 4, article 4, section 146, as amended  
181.18 by Laws 2017, chapter 93, article 2, section 150, is amended to read:

181.19 Sec. 146. **INITIAL IMPLEMENTATION; WAIVERS.**

181.20 A soil and water conservation district must grant a conditional compliance waiver under  
181.21 Minnesota Statutes, section 103F.48, to landowners or authorized agents who have applied  
181.22 for and maintained eligibility for financial or technical assistance within one year of the  
181.23 dates listed in Minnesota Statutes, section 103F.48, subdivision 3, paragraph (e), according  
181.24 to Minnesota Statutes, section 103F.48. A conditional compliance waiver also must be  
181.25 granted to landowners who are subject to a drainage proceeding commenced under Minnesota  
181.26 Statutes, sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715. The  
181.27 conditional compliance waiver is valid until financial or technical assistance is available  
181.28 for buffer or alternative practices installation, but not later than November 1, 2018. A  
181.29 landowner or authorized agent that has filed a parcel-specific public water riparian protection  
181.30 compliance plan with the soil and water conservation district by November 1, 2017, shall  
181.31 be granted a conditional compliance waiver until July 1, ~~2018~~ 2019. A landowner or  
181.32 authorized agent that has filed a parcel-specific public drainage system riparian protection

182.1 compliance plan with the soil and water conservation district by November 1, 2018, shall  
 182.2 be granted a conditional compliance waiver until July 1, 2019.

182.3 Sec. 92. Laws 2016, chapter 189, article 3, section 48, is amended to read:

182.4 Sec. 48. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

182.5 The commissioner of natural resources shall report to the chairs of the house of  
 182.6 representatives and senate committees with jurisdiction over natural resources by January  
 182.7 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as  
 182.8 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in  
 182.9 the state. The report must:

182.10 (1) include recommendations for state and local resources needed to implement the  
 182.11 program;

182.12 (2) assess local government inspection roles under Minnesota Statutes, section 84D.105,  
 182.13 subdivision 2, paragraph (g); and

182.14 (3) assess whether mechanisms to ensure that water-related equipment placed back into  
 182.15 the same body of water from which it was removed can adequately protect other water  
 182.16 bodies.

182.17 Sec. 93. **ADDITIONS TO STATE PARKS.**

182.18 Subdivision 1. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The  
 182.19 following area is added to Frontenac State Park, Goodhue County:

182.20 That part of the Northeast Quarter of Section 10, that part of the Southeast Quarter of  
 182.21 Section 10, that part of the Northwest Quarter of Section 11, and that part of the Southwest  
 182.22 Quarter of Section 11, all in Township 112 North, Range 13 West, Goodhue County,  
 182.23 Minnesota, described as follows:

182.24 Commencing at the east quarter corner of said Section 10; thence on an assumed bearing  
 182.25 South 00 degrees 25 minutes 27 seconds East, along the east line of the Southeast Quarter  
 182.26 of said Section 10, a distance of 1,654.63 feet; thence South 89 degrees 34 minutes 33  
 182.27 seconds West, a distance of 2,219.43 feet to the point of beginning of the land to be described;  
 182.28 thence North 19 degrees 04 minutes 33 seconds East, a distance of 3,905.90 feet to the  
 182.29 centerline of Hill Avenue; thence southeasterly, along said centerline, to the northwesterly  
 182.30 right-of-way boundary of County Road Number 2, as designated on Goodhue County  
 182.31 Highway Right-Of-Way Plat No. 25, as recorded in the Goodhue County Recorder's Office;  
 182.32 thence southwesterly along said northwesterly right-of-way boundary and along the

183.1 northwesterly right-of-way boundary of County Road Number 2, as designated in Goodhue  
183.2 County Highway Right-Of-Way Plat No. 24, and along the northwesterly right-of-way  
183.3 boundary of County Road Number 2, as designated in Goodhue County Highway  
183.4 Right-of-Way Plat No. 23, to the intersection with a line bearing South 76 degrees 25 minutes  
183.5 27 seconds East from the point of beginning; thence North 76 degrees 25 minutes 27 seconds  
183.6 West, a distance of 907.89 feet to the point of beginning.

183.7 EXCEPT that part lying within the boundaries of the following described parcel:

183.8 That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West,  
183.9 and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West,  
183.10 Goodhue County, Minnesota, described as follows:

183.11 Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence  
183.12 southerly on an assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along  
183.13 the east line of the Southeast Quarter of said Section 10, a distance of 1,100.31 feet; thence  
183.14 westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point  
183.15 of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds  
183.16 azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds  
183.17 azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now  
183.18 located and established; thence southerly and southwesterly, along said centerline, to the  
183.19 intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from  
183.20 the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a  
183.21 distance of 51.66 feet to the point of beginning.

183.22 EXCEPT that part lying within the boundaries of the following described parcel:

183.23 That part of the Southeast Quarter of Section 10, Township 112, Range 13, Goodhue  
183.24 County, Minnesota, described as follows:

183.25 Commencing at the northeast corner of said Southeast Quarter; thence southerly, on an  
183.26 assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along the east line of  
183.27 said Southeast Quarter; a distance of 1,491.88 feet; thence westerly 269 degrees 34 minutes  
183.28 33 seconds azimuth, a distance of 870.79 feet to an iron pipe on the centerline of County  
183.29 Road Number 2, as now located and established, being the point of beginning of the land  
183.30 to be described; thence northerly 24 degrees 07 minutes 23 seconds azimuth, a distance of  
183.31 132.28 feet to an iron pipe; thence northwesterly 301 degrees 14 minutes 43 seconds azimuth,  
183.32 a distance of 524.46 feet to an iron pipe; thence southerly 180 degrees 51 minutes 58 seconds  
183.33 azimuth a distance of 342.82 feet to an iron pipe; thence southeasterly 118 degrees 29  
183.34 minutes 28 seconds azimuth, a distance of 273.01 feet to an iron pipe on the centerline of

184.1 said County Road Number 2, as now located and established; thence northeasterly along  
184.2 said centerline to the point of beginning.

184.3 EXCEPT that part described as follows:

184.4 That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West,  
184.5 Goodhue County, Minnesota, described as follows:

184.6 Commencing at the northeast corner of said Southeast Quarter of Section 10; thence  
184.7 southerly, on an assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along  
184.8 the east line of said Southeast Quarter of Section 10, a distance of 1,100.31 feet; thence  
184.9 westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point  
184.10 of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds  
184.11 azimuth, a distance of 300.00 feet; thence westerly 250 degrees 42 minutes 19 seconds  
184.12 azimuth, a distance of 300.00 feet; thence southerly 160 degrees 42 minutes 19 seconds  
184.13 azimuth, a distance of 384.25 feet, to the northwesterly right-of-way boundary of County  
184.14 Road Number 2, as designated in Goodhue County Highway Right-of-Way Plat No. 23, as  
184.15 recorded in the Goodhue County Recorder's Office; thence northeasterly, along said  
184.16 northwesterly right-of-way boundary, to the intersection with a line drawn southerly 160  
184.17 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340  
184.18 degrees 42 minutes 19 seconds azimuth, a distance of 10.01 feet to the point of beginning.

184.19 Subd. 2. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The following  
184.20 areas are added to the Frontenac State Park, Goodhue County:

184.21 (1) all that part of Sections 31 and 32, Township 113 North, Range 13 West, in the  
184.22 County of Goodhue and State of Minnesota, described as follows:

184.23 All of Block 7, Wacouta Beach, in said Section 32 lying on the south side of and adjoining  
184.24 Lake View Drive and adjoining the south and west lines of said Section 32. Also that part  
184.25 of said Section 31 described as follows:

184.26 Beginning at the southeast corner of said Section 31; thence run North along the east  
184.27 line of said Section 31 a distance of 961.0 feet more or less to the southerly right-of-way  
184.28 line of Lake View Drive; thence run North 61 degrees 30 minutes West along the southerly  
184.29 right-of-way of Lake View Drive a distance of 170.0 feet; thence run South 34 degrees West  
184.30 320.0 feet; thence run North 77 degrees East 125.0 feet; thence run South 13 degrees West  
184.31 610.0 feet; thence run South 76 degrees West 600.0 feet; thence run South 88 degrees 30  
184.32 minutes West 1,100.0 feet; thence run North 54 degrees 45 minutes West 1,140.0 feet;  
184.33 thence run North 37 degrees 15 minutes West 400.0 feet; thence run North 72 degrees West  
184.34 1,000.0 feet; thence run South 89 degrees 45 minutes West 200.0 feet; thence run North 70

185.1 degrees 45 minutes West 250.0 feet to a point on or near the east right-of-way line of public  
185.2 road; thence run South 15 degrees 45 minutes West 720.0 feet along or near said east  
185.3 right-of-way line of public road to a point at or near the northerly right-of-way line of State  
185.4 Trunk Highway 61; thence run easterly along said northerly right-of-way line of State Trunk  
185.5 Highway 61 a distance of 2,050.0 feet more or less to the south line of said Section 31;  
185.6 thence run East 2,925.0 feet more or less along said south line of Section 31 to the point of  
185.7 beginning;

185.8 (2) the West Half of the Northeast Quarter of Section 6, Township 112 North, Range  
185.9 13 West, EXCEPT THE FOLLOWING:

185.10 All that part of the West Half of the Northeast Quarter of Section 6, Township 112 North,  
185.11 Range 13 West, in Goodhue County and State of Minnesota, described as follows:

185.12 Beginning at the center of said Section 6; thence North 1,970 feet to the centerline of  
185.13 State Trunk Highway 61; thence southeasterly along the centerline of said highway for 335  
185.14 feet; thence North 66 degrees 31 minutes East 380 feet; thence deflect to the left on a six  
185.15 degree curve for 570 feet to the south line of Borrow Pit No. 225; (Borrow Pit No. 225  
185.16 being described in that certain Notice of Lis Pendens dated May 19, 1952, and recorded  
185.17 May 20, 1952, in Book 115 of Mortgages, page 77); thence East 430 feet to the east line of  
185.18 the West Half of said Northeast Quarter; thence South 2,250 feet to the southeast corner of  
185.19 said West Half of the Northeast Quarter; thence West 1,320 feet to the place of beginning.  
185.20 EXCEPTING from the above all rights-of-way of state highway and excepting the  
185.21 right-of-way of the railroad company.

185.22 ALSO an easement for right-of way purposes on a strip of land 50 feet in width adjoining  
185.23 and northwesterly of the northwesterly line of the above conveyed tract;

185.24 (3) that part of the Northwest Quarter of Section 6, Township 112 North, Range 13 West,  
185.25 Goodhue County, Minnesota, lying northeasterly of the northeasterly right-of-way line of  
185.26 the Canadian Pacific Railroad (formerly the Chicago, Milwaukee and St. Paul Railway Co.);  
185.27 and

185.28 (4) Block 8 and Block 9, Wacouta Beach, according to the plat thereof, on file and of  
185.29 record in the Goodhue County Recorder's Office.

185.30 Subd. 3. [85.012] [Subd. 43.] Minneopa State Park, Blue Earth County. The following  
185.31 area is added to Minneopa State Park, Blue Earth County: the East Half of Government Lot  
185.32 5, Section 2, Township 108 North, Range 28 West, together with an easement 33 feet in  
185.33 width for access to said property, as now located, extending from the southwest corner of

186.1 the East Half of Government Lot 5 in said Section 2, Township 108, Range 28, to Minnesota  
 186.2 Highway 68.

186.3 Subd. 4. [85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area  
 186.4 is added to the St. Croix State Park, Pine County: the Northwest Quarter of the Northwest  
 186.5 Quarter, Section 30, Township 41 North, Range 17 West.

186.6 Sec. 94. DELETION FROM STATE PARK.

186.7 [85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area is deleted  
 186.8 from St. Croix State Park, Pine County: all that part of the Southeast Quarter of the Southeast  
 186.9 Quarter, Section 21, and that part of the Southwest Quarter of the Southwest Quarter, Section  
 186.10 22, Township 41 North, Range 18 West, bounded by the following described lines: beginning  
 186.11 at the southeast corner of Section 21; thence West 1,025 feet along the south section line;  
 186.12 thence North 515 feet; thence East 350 feet; thence northeasterly 1,070 feet to a point on  
 186.13 the centerline of County State-Aid Highway 22 a distance of 1,130 feet northerly of the  
 186.14 southeast corner of Section 21 as measured along said County State-Aid Highway 22; thence  
 186.15 southerly 1,130 feet along the centerline of County State-Aid Highway 22 to the point of  
 186.16 beginning.

186.17 Sec. 95. ADDITIONS TO STATE FORESTS.

186.18 Subdivision 1. [89.021] [Subd. 2.] Badoura State Forest. The following areas are added  
 186.19 to Badoura State Forest, Hubbard County:

186.20 (1) the Southwest Quarter, Section 35, Township 140 North, Range 32 West;

186.21 (2) the Northeast Quarter of the Northeast Quarter and the Northwest Quarter of the  
 186.22 Northeast Quarter, Section 11, Township 139 North, Range 33 West;

186.23 (3) the South Half of the Northeast Quarter, the West Half, and the Southeast Quarter,  
 186.24 Section 26, Township 140 North, Range 33 West; and

186.25 (4) the North Half, Section 26, Township 139 North, Range 33 West.

186.26 Subd. 2. [89.021] [Subd. 48a.] Snake River State Forest. The following areas are  
 186.27 added to Snake River State Forest, Kanabec County:

186.28 (1) the Northwest Quarter and the Southwest Quarter of the Northeast Quarter, Section  
 186.29 8, Township 42 North, Range 22 West;

186.30 (2) Section 17, Township 42 North, Range 22 West;

186.31 (3) Section 20, Township 42 North, Range 22 West;

187.1 (4) the West Half of the Northwest Quarter and the West Half of the Southwest Quarter,  
187.2 Section 21, Township 42 North, Range 22 West;

187.3 (5) the Northeast Quarter and the East Half of the Southeast Quarter, Section 8, Township  
187.4 42 North, Range 23 West;

187.5 (6) Section 9, Township 42 North, Range 23 West;

187.6 (7) the South Half of the Southwest Quarter, Section 10, Township 42 North, Range 23  
187.7 West;

187.8 (8) the Northwest Quarter, the North Half of the Southwest Quarter, and the Southwest  
187.9 Quarter of the Southwest Quarter, Section 15, Township 42 North, Range 23 West;

187.10 (9) Section 16, Township 42 North, Range 23 West;

187.11 (10) the Northeast Quarter and the East Half of the Northwest Quarter, Section 17,  
187.12 Township 42 North, Range 23 West; and

187.13 (11) Section 23, Township 42 North, Range 23 West.

187.14 **Sec. 96. TEMPORARY ENFORCEMENT OF GROUNDWATER APPROPRIATION**  
187.15 **PERMIT REQUIREMENTS.**

187.16 (a) Until July 1, 2019, the commissioner of natural resources must not expend funds to  
187.17 suspend or revoke a water appropriation permit, issue an order requiring a violation to be  
187.18 corrected, assess monetary penalties, or otherwise take enforcement action against a water  
187.19 appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement  
187.20 action is based solely on a violation of a permit requirement added as a result of a court  
187.21 order issued in 2017.

187.22 (b) The commissioner of natural resources may continue to use all the authorities granted  
187.23 to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater  
187.24 resources within the north and east groundwater management area.

187.25 **Sec. 97. GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.**

187.26 (a) Notwithstanding water appropriation permit requirements added by the commissioner  
187.27 of natural resources as a result of a court order issued in 2017, a public water supplier located  
187.28 in the seven-county metropolitan area within a designated groundwater management area:

187.29 (1) is not required to revise a water supply plan to include contingency plans to fully or  
187.30 partially convert its water supplies to surface water;

188.1 (2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative  
188.2 measures that achieve similar water use reductions when notified by the commissioner of  
188.3 natural resources that lake levels have fallen below court-ordered levels; and

188.4 (3) is not required to use per capita residential water use as a measure for purposes of  
188.5 water use reduction goals, plans, and implementation and may submit water use plans and  
188.6 reports that use a measure other than per capita residential water use.

188.7 (b) This section expires July 1, 2019.

188.8 **Sec. 98. VOLKSWAGEN SETTLEMENT; LIMITATION ON ADMINISTRATIVE**  
188.9 **EXPENSES; PROHIBITION ON HIRING.**

188.10 Subdivision 1. **Definition.** For purposes of this section, "settlement money" means  
188.11 money awarded to the state under the Environmental Mitigation Trust Agreement for State  
188.12 Beneficiaries described in Attachment A to the United States' Notice of Filing of Trust  
188.13 Agreements in the case of United States v. Volkswagen AG et al., Case No. 16-cv-295  
188.14 (N.D. Cal.).

188.15 Subd. 2. **Limitation on administrative expenses.** The commissioner of the Pollution  
188.16 Control Agency must use no more than three percent of any settlement money for  
188.17 administering grant programs, delivering technical services, providing fiscal oversight, and  
188.18 ensuring accountability.

188.19 Subd. 3. **Prohibition on hiring.** The commissioner of the Pollution Control Agency  
188.20 must not hire additional staff using settlement money or to administer settlement money.

188.21 **Sec. 99. RULEMAKING; DISPOSAL FACILITY CERTIFICATES.**

188.22 (a) The commissioner of the Pollution Control Agency must amend Minnesota Rules,  
188.23 part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew  
188.24 a type IV disposal facility certificate, by April 30, 2019, or nine months after enactment of  
188.25 this section, whichever is earlier.

188.26 (b) The commissioner may use the good cause exemption under Minnesota Statutes,  
188.27 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota  
188.28 Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes,  
188.29 section 14.388.

189.1 Sec. 100. **APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

189.2 Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part  
189.3 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township  
189.4 that are designated as urbanized under Code of Federal Regulations, title 40, section  
189.5 122.26(a)(9)(i)(A) and other platted areas within that jurisdiction.

189.6 Sec. 101. **RULE CHANGE; TRANSITION.**

189.7 (a) The director of the State Lottery shall amend Minnesota Rules, part 7856.4030, so  
189.8 that the director compensates retailers consistent with Minnesota Statutes, section 349A.17.

189.9 (b) For tickets sold prior to August 1, 2018, the director of the State Lottery shall  
189.10 compensate lottery retailers as provided by law or rule in effect on the date the ticket was  
189.11 sold.

189.12 **EFFECTIVE DATE.** This section is effective August 1, 2018.

189.13 Sec. 102. **FOREST INVENTORY RECOMMENDATIONS.**

189.14 The Minnesota Forest Resources Council shall work in cooperation with the Interagency  
189.15 Information Cooperative and the University of Minnesota Department of Forest Resources  
189.16 to make recommendations for improving stand-level forest inventories. Recommendations  
189.17 shall include the frequency and scope of forest inventory and design and technological  
189.18 improvements and efficiencies that may be utilized in forest inventory data collection and  
189.19 analysis. The recommendations shall address forest inventories of state- and  
189.20 county-administered forest lands and other interested land managers. Recommendations  
189.21 shall be reported to the house of representatives Environment and Natural Resources Policy  
189.22 and Finance Committee, the senate Environment and Natural Resources Finance Committee,  
189.23 and the senate Environment and Natural Resources Policy and Legacy Finance Committee  
189.24 by February 1, 2019.

189.25 Sec. 103. **LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE**  
189.26 **PLANNING.**

189.27 (a) To facilitate implementation of the Lake Winona total maximum daily load, the  
189.28 Alexandria Lake Area Sanitary District may fund or perform lake management activities  
189.29 in Lake Winona and in Lake Agnes. Lake management activities may include but are not  
189.30 limited to carp removal and alum treatment. If the district agrees to fund or perform lake  
189.31 management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution

190.1 Control Agency shall do one of the following unless the district chooses another path to  
190.2 compliance that conforms to state and federal law, such as facility construction:

190.3 (1) approve an offset of the phosphorous loading proportional to the reduction achievable  
190.4 through lake management activities in Lake Winona and Lake Agnes creditable to the  
190.5 Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend  
190.6 the district's NPDES permit MN004738 to include the offset. The approved offset may be  
190.7 related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district  
190.8 can achieve compliance with phosphorus effluent limits through wastewater optimization  
190.9 techniques without performing capital upgrades to the wastewater treatment facility. The  
190.10 lake management activities contemplated under this paragraph need not be completed before  
190.11 the commissioner approves the offset and related discharge limits or issues the permit, but  
190.12 the permit may include a schedule of compliance outlining the required lake management  
190.13 activities and requiring that lake management activities in Lake Winona and Lake Agnes  
190.14 begin immediately upon permit issuance. The approved offset and related permit language  
190.15 must be consistent with Clean Water Act requirements and Minnesota Statutes, section  
190.16 115.03, subdivision 10; or

190.17 (2) amend the district's NPDES permit MN004738 in a manner consistent with state and  
190.18 federal law to include an integrated and adaptive lake management plan and to extend the  
190.19 final compliance deadline for the final phosphorus concentration effluent limit related to  
190.20 the site specific standard for Lake Winona contained in the district's permit until such time  
190.21 that carp removal in Lake Winona can be completed and the lake can be reassessed. The  
190.22 permit may include a schedule of compliance outlining the required lake management  
190.23 activities and requiring that lake management activities in Lake Winona and Lake Agnes  
190.24 begin immediately upon permit issuance.

190.25 (b) If the district agrees to fund or perform the lake management activities identified in  
190.26 paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The  
190.27 district's responsibility for lake management activities in Lake Winona and Lake Agnes  
190.28 terminates upon completion of the lake management activities identified in the schedule of  
190.29 compliance contemplated under paragraph (a).

190.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
190.31 Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their  
190.32 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before  
190.33 July 1, 2018.

191.1 Sec. 104. **MORATORIUM ON MUSKELLUNGE STOCKING IN OTTER TAIL**  
 191.2 **COUNTY.**

191.3 (a) Until August 1, 2023, the commissioner of natural resources must not stock  
 191.4 muskellunge in waters wholly located in Otter Tail County. Any savings realized as a result  
 191.5 must be used for walleye stocking.

191.6 (b) The commissioner of natural resources must convene a stakeholder group to examine  
 191.7 the effect of muskellunge on the environment, waters, and native fish of Otter Tail County.  
 191.8 The stakeholder group must include an Otter Tail County commissioner, a representative  
 191.9 of the Minnesota Chamber of Commerce, and a representative of an Otter Tail County lake  
 191.10 association. The stakeholder group must examine existing scientific research and must  
 191.11 determine whether additional research is necessary. If the stakeholder group determines  
 191.12 that muskellunge do not pose a threat to the environment, waters, or native fish of Otter  
 191.13 Tail County, the stakeholder group may recommend that the legislature repeal or adjust the  
 191.14 moratorium imposed under paragraph (a).

191.15 **EFFECTIVE DATE.** This section is effective the day after the Otter Tail County Board  
 191.16 of Commissioners and its chief clerical officer timely complete their compliance with  
 191.17 Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before July 1, 2018.

191.18 Sec. 105. **NATURAL RESOURCES YOUTH SAFETY EDUCATION PROGRAMS**  
 191.19 **DELIVERY.**

191.20 The commissioner of natural resources shall review and research options for delivering  
 191.21 online safety training programs for youth and adult students, including off-highway vehicles  
 191.22 and hunter education, that are maintained and delivered by the state that functions  
 191.23 independently from an outside contract vendor. By March 1, 2019, the commissioner shall  
 191.24 report to the chairs of the senate and house of representatives environment and natural  
 191.25 resources policy and finance committees on options identified under this section.

191.26 Sec. 106. **NONPOINT PRIORITY FUNDING PLAN WORKGROUP.**

191.27 The Board of Water and Soil Resources must convene a workgroup consisting of  
 191.28 representatives of state agencies, local governments, tribal governments, private and nonprofit  
 191.29 organizations, and others to review the nonpoint priority funding plan under Minnesota  
 191.30 Statutes, section 114D.50, subdivision 3a. By January 31, 2019, the board must submit a  
 191.31 report to the chairs and ranking minority members of the house of representatives and senate  
 191.32 committees with jurisdiction over environment and natural resources that contains  
 191.33 recommendations to improve the effectiveness of nonpoint priority funding plans to meet

192.1 the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in  
 192.2 Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater  
 192.3 restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

192.4 Sec. 107. **CHRONIC WASTING DISEASE TASK FORCE.**

192.5 Subdivision 1. **Creation; membership.** (a) The Chronic Wasting Disease Task Force  
 192.6 consists of 22 members appointed as follows:

192.7 (1) the chairs and ranking minority members of the senate committees with jurisdiction  
 192.8 over environment and natural resources policy and finance;

192.9 (2) the chair and ranking minority member of the house of representatives Environment  
 192.10 and Natural Resources Policy and Finance Committee and two additional members of that  
 192.11 committee selected by the chair of that committee, one from the majority party, and one  
 192.12 from the minority party;

192.13 (3) the chairs and ranking minority members of the senate and house of representatives  
 192.14 committees with jurisdiction over agriculture policy and finance;

192.15 (4) a representative from the Department of Natural Resources, the Department of  
 192.16 Agriculture, and the Board of Animal Health; and

192.17 (5) a representative from the Minnesota Elk Breeders Association, Minnesota Deer  
 192.18 Farmers Association, and the Minnesota Deer Hunters Association.

192.19 (b) The appointing authorities must make their respective appointments no later than  
 192.20 July 15, 2018.

192.21 Subd. 2. **Chair; meetings.** (a) The chair of the task force alternates each meeting between  
 192.22 the chair of the senate Environment and Natural Resources Policy Committee and the chair  
 192.23 of the house of representatives Environment and Natural Resources Policy and Finance  
 192.24 Committee. The senate chair shall chair the first meeting, which shall be no later than August  
 192.25 15, 2018.

192.26 (b) The task force shall meet upon the call of the chair.

192.27 Subd. 3. **Administrative support.** The Legislative Coordinating Commission shall  
 192.28 provide administrative support and meeting space for the task force.

192.29 Subd. 4. **Duties.** The task force must study and provide recommendations on:

192.30 (1) whether and how recommendations included in the legislative auditor's Board of  
 192.31 Animal Health's Oversight of Deer and Elk Farms report should be implemented;

193.1 (2) methods to improve the coordination and effectiveness of the chronic wasting disease  
 193.2 prevention and response activities of government agencies and other stakeholders; and

193.3 (3) whether it is possible to develop a method for detecting the presence of the disease  
 193.4 in living cervids and what resources would be required to do so.

193.5 Subd. 5. **Report.** No later than January 15, 2019, the task force shall submit a report to  
 193.6 the chairs of the house of representatives and senate committees with jurisdiction over  
 193.7 environment and natural resources finance containing the findings of the task force.

193.8 Subd. 6. **Expiration.** The task force expires 45 days after the report and recommendations  
 193.9 are delivered to the legislature or on June 30, 2019, whichever date is earlier.

193.10 Sec. 108. **BOARD OF ANIMAL HEALTH TASK FORCE.**

193.11 Subdivision 1. **Creation; membership.** (a) The Board of Animal Health Task Force  
 193.12 consists of 25 members appointed as follows:

193.13 (1) the chairs and ranking minority members of the senate committees with jurisdiction  
 193.14 over environment and natural resources policy and finance;

193.15 (2) the chair and ranking minority member of the house of representatives Environment  
 193.16 and Natural Resources Policy and Finance Committee and two additional members of that  
 193.17 committee selected by the chair of that committee, one from the majority party, and one  
 193.18 from the minority party;

193.19 (3) the chairs and ranking minority members of the senate and house of representatives  
 193.20 committees with jurisdiction over agriculture policy and finance;

193.21 (4) the commissioner of agriculture, or the commissioner's designee; and

193.22 (5) a representative from the Minnesota Elk Breeders Association, the Minnesota Deer  
 193.23 Farmers Association, the Minnesota Deer Hunters Association, the Minnesota Pork Producers  
 193.24 Association, the Minnesota Cattlemen's Association, the Minnesota Farmer's Union, the  
 193.25 Minnesota Farm Bureau, and the Minnesota Turkey Growers Association.

193.26 (b) The appointing authorities must make their respective appointments no later than  
 193.27 July 15, 2018.

193.28 Subd. 2. **Chair; meetings.** (a) The chair of the task force alternates each meeting between  
 193.29 the chair of the senate Environment and Natural Resources Policy Committee and the chair  
 193.30 of the house of representatives Environment and Natural Resources Policy and Finance  
 193.31 Committee. The senate chair shall chair the first meeting, which shall be no later than August  
 193.32 15, 2018.

194.1 (b) The task force shall meet upon the call of the chair.

194.2 Subd. 3. **Administrative support.** The Legislative Coordinating Commission shall  
194.3 provide administrative support and meeting space for the task force.

194.4 Subd. 4. **Duties.** The task force must study and provide recommendations related to:

194.5 (1) the overall effectiveness of the board's execution of its statutory duties, including its  
194.6 duties to protect the health of Minnesota's domestic animals, manage domestic animal  
194.7 diseases, and enforce domestic animal-related laws;

194.8 (2) whether the structure, membership, and duties of the board are optimally designed  
194.9 to further the purposes for which the board was created and to serve the communities it is  
194.10 designed to serve; and

194.11 (3) whether and how recommendations included in the legislative auditor's Board of  
194.12 Animal Health's Oversight of Deer and Elk Farms report should be implemented.

194.13 Subd. 5. **Duty to cooperate.** Upon request, the Board of Animal Health shall provide  
194.14 the task force with any information requested by the task force in connection with the  
194.15 exercise of its duties. The Board of Animal Health may redact nonpublic information from  
194.16 the information prior to providing information under this subdivision.

194.17 Subd. 6. **Report.** No later than January 15, 2019, the task force shall submit a report to  
194.18 the chairs and ranking minority members of the house of representatives and senate  
194.19 committees with jurisdiction over environment and natural resources finance containing  
194.20 the findings of the task force.

194.21 Subd. 7. **Expiration.** The task force expires 45 days after the report and recommendations  
194.22 are delivered to the legislature or on June 30, 2019, whichever date is earlier.

194.23 Sec. 109. **REPEALER.**

194.24 (a) Minnesota Statutes 2016, section 349A.16, is repealed.

194.25 (b) Laws 2008, chapter 368, article 1, section 21, subdivision 2, is repealed.

## 194.26 **ARTICLE 15**

### 194.27 **ACCELERATED BUFFER STRIP IMPLEMENTATION**

194.28 Section 1. Minnesota Statutes 2016, section 17.117, subdivision 1, is amended to read:

194.29 Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan  
194.30 program is to provide low or no interest financing to farmers, agriculture supply businesses,

195.1 rural landowners, and ~~water-quality cooperatives~~ local units of government, including  
 195.2 drainage authorities, watershed districts, and counties for the implementation of agriculture  
 195.3 and other best management practices that reduce environmental pollution.

195.4 Sec. 2. Minnesota Statutes 2016, section 17.117, subdivision 4, is amended to read:

195.5 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 195.6 subdivision have the meanings given them.

195.7 (b) "Agricultural and environmental revolving accounts" means accounts in the  
 195.8 agricultural fund, controlled by the commissioner, which hold funds available to the program.

195.9 (c) "Agriculture supply business" means a person, partnership, joint venture, corporation,  
 195.10 limited liability company, association, firm, public service company, or cooperative that  
 195.11 provides materials, equipment, or services to farmers or agriculture-related enterprises.

195.12 (d) "Allocation" means the funds awarded to an applicant for implementation of best  
 195.13 management practices through a competitive or noncompetitive application process.

195.14 (e) "Applicant" means a local unit of government eligible to participate in this program  
 195.15 that requests an allocation of funds as provided in subdivision 6b.

195.16 (f) "Best management practices" has the meaning given in sections 103F.711, subdivision  
 195.17 3, and 103H.151, subdivision 2. Best management practices also means other practices,  
 195.18 techniques, and measures that have been demonstrated to the satisfaction of the  
 195.19 commissioner: (1) to prevent or reduce adverse environmental impacts by using the most  
 195.20 effective and practicable means of achieving environmental goals; or (2) to achieve drinking  
 195.21 water quality standards under chapter 103H or under Code of Federal Regulations, title 40,  
 195.22 parts 141 and 143, as amended.

195.23 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner  
 195.24 applying for a low-interest loan.

195.25 (h) "Commissioner" means the commissioner of agriculture, including when the  
 195.26 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee  
 195.27 of the commissioner.

195.28 (i) "Committed project" means an eligible project scheduled to be implemented at a  
 195.29 future date:

195.30 ~~(1)~~ that has been approved and certified by the local government unit; ~~and~~

195.31 ~~(2) for which a local lender has obligated itself to offer a loan.~~

196.1 (j) "Comprehensive water management plan" means a state-approved and locally adopted  
196.2 plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or  
196.3 103D.405.

196.4 (k) "Cost incurred" means expenses for implementation of a project accrued because  
196.5 the borrower has agreed to purchase equipment or is obligated to pay for services or materials  
196.6 already provided as a result of implementing an approved eligible project.

196.7 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability  
196.8 company, association, firm, public service company, or cooperative that regularly participates  
196.9 in physical labor or operations management of farming and files a Schedule F as part of  
196.10 filing United States Internal Revenue Service Form 1040 or indicates farming as the primary  
196.11 business activity under Schedule C, K, or S, or any other applicable report to the United  
196.12 States Internal Revenue Service.

196.13 (m) "Landowner" means the owner of record of Minnesota real estate on which the  
196.14 project is located.

196.15 ~~(m)~~ (n) "Lender agreement" means an agreement entered into between the commissioner  
196.16 and a local lender which contains terms and conditions of participation in the program.

196.17 ~~(n)~~ (o) "Local government unit" means a county, soil and water conservation district, or  
196.18 an organization formed for the joint exercise of powers under section 471.59 with the  
196.19 authority to participate in the program.

196.20 ~~(o)~~ (p) "Local lender" means a local government unit as defined in paragraph ~~(n)~~ (o), a  
196.21 local municipality or county with taxing or special assessment authority, a watershed district,  
196.22 a drainage authority, a township, a state or federally chartered bank, a savings association,  
196.23 a state or federal credit union, Agribank and its affiliated organizations, or a nonprofit  
196.24 economic development organization or other financial lending institution approved by the  
196.25 commissioner.

196.26 ~~(p)~~ (q) "Local revolving loan account" means the account held by a local government  
196.27 unit and a local lender into which principal repayments from borrowers are deposited and  
196.28 new loans are issued in accordance with the requirements of the program and lender  
196.29 agreements.

196.30 ~~(q)~~ (r) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

196.31 ~~(r)~~ (s) "Program" means the agriculture best management practices loan program in this  
196.32 section.

197.1 ~~(s)~~ (t) "Project" means one or more components or activities located within Minnesota  
197.2 that are required by the local government unit to be implemented for satisfactory completion  
197.3 of an eligible best management practice.

197.4 ~~(t)~~ (u) "Rural landowner" means the owner of record of Minnesota real estate located in  
197.5 an area determined by the local government unit to be rural after consideration of local land  
197.6 use patterns, zoning regulations, jurisdictional boundaries, local community definitions,  
197.7 historical uses, and other pertinent local factors.

197.8 ~~(u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph (d),~~  
197.9 ~~except as expressly limited in this section.~~

197.10 Sec. 3. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

197.11 Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips**  
197.12 **and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring  
197.13 appointment of viewers and redetermination of benefits and damages, a drainage authority  
197.14 may ~~implement~~ make findings and recommend the establishment of permanent buffer strips  
197.15 of perennial vegetation approved by the drainage authority or side inlet controls, or both,  
197.16 adjacent to a public drainage ditch, where necessary to control erosion and sedimentation,  
197.17 improve water quality, or maintain the efficiency of the drainage system. The drainage  
197.18 authority's finding that the establishment of permanent buffer strips of perennial vegetation  
197.19 or side inlet controls is necessary to control erosion and sedimentation, improve water  
197.20 quality, or maintain the efficiency of the drainage system is sufficient to order the measures  
197.21 be installed. Preference should be given to planting native species of a local ecotype. The  
197.22 approved perennial vegetation shall not impede future maintenance of the ditch. The  
197.23 permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward  
197.24 from the top edge of the existing constructed channel. Drainage system rights-of-way for  
197.25 the acreage and additional property required for the permanent strips must be acquired by  
197.26 the authority having jurisdiction.

197.27 (b) A project under this subdivision shall be implemented as a repair according to section  
197.28 103E.705, except that the drainage authority may appoint an engineer to examine the drainage  
197.29 system and prepare an engineer's repair report for the project.

197.30 (c) Damages shall be determined by the drainage authority, or viewers, appointed by  
197.31 the drainage authority, according to section 103E.315, subdivision 8. A damages statement  
197.32 shall be prepared, including an explanation of how the damages were determined for each  
197.33 property affected by the project, and filed with the auditor or watershed district. Within 30  
197.34 days after the damages statement is filed, the auditor or watershed district shall prepare

198.1 property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6),  
 198.2 (7), and (8), and mail a copy of the property owner's report and damages statement to each  
 198.3 owner of property affected by the proposed project.

198.4 (d) After a damages statement is filed, the drainage authority shall set a time, by order,  
 198.5 not more than 30 days after the date of the order, for a hearing on the project. At least ten  
 198.6 days before the hearing, the auditor or watershed district shall give notice by mail of the  
 198.7 time and location of the hearing to the owners of property and political subdivisions likely  
 198.8 to be affected by the project.

198.9 (e) The drainage authority shall make findings and order the repairs to be made if the  
 198.10 drainage authority determines from the evidence presented at the hearing and by the viewers  
 198.11 and engineer, if appointed, that the repairs are necessary for the drainage system and the  
 198.12 costs of the repairs are within the limitations of section 103E.705.

198.13 Sec. 4. Minnesota Statutes 2016, section 103E.071, is amended to read:

198.14 **103E.071 COUNTY ATTORNEY.**

198.15 The county attorney shall represent the county in all drainage proceedings and related  
 198.16 matters without special compensation, except as provided in section 388.10. A county  
 198.17 attorney, the county attorney's assistant, or any attorney associated with the county attorney  
 198.18 in business, may not otherwise appear in any drainage proceeding for any interested person.

198.19 Sec. 5. Minnesota Statutes 2016, section 103E.351, subdivision 1, is amended to read:

198.20 Subdivision 1. **Conditions to redetermine benefits and damages; appointment of**  
 198.21 **viewers.** If the drainage authority determines that the ~~original~~ benefits or damages of record  
 198.22 determined in a drainage proceeding do not reflect reasonable present day land values or  
 198.23 that the benefited or damaged areas have changed, or if more than 50 percent of the owners  
 198.24 of property, or more than 50 percent of the owners of property benefited or damaged by a  
 198.25 drainage system petition for correction of an error that was made at the time of the  
 198.26 proceedings that established the drainage system or a redetermination of benefits and  
 198.27 damages, the drainage authority may appoint three viewers to redetermine and report the  
 198.28 benefits and damages and the benefited and damaged areas.

198.29 Sec. 6. **PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND**  
 198.30 **MAINTENANCE.**

198.31 With the consent of the property owner where the drainage ditch buffer will be located,  
 198.32 a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9,

199.1 may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation  
 199.2 requirements of Minnesota Statutes, section 103E.021, after acquiring and compensating  
 199.3 for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and  
 199.4 maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This  
 199.5 section expires June 30, 2019.

199.6 **EFFECTIVE DATE.** This section is effective June 1, 2018.

199.7 **ARTICLE 16**

199.8 **HIGHER EDUCATION**

199.9 Section 1. **APPROPRIATIONS.**

199.10 The sums shown in the columns marked "Appropriations" are added to the appropriations  
 199.11 in Laws 2017, chapter 89, article 1, unless otherwise specified, to the agencies and for the  
 199.12 purposes specified in this act. The appropriations are from the general fund, or another  
 199.13 named fund, and are available for the fiscal years indicated for each purpose. The figures  
 199.14 "2018" and "2019" used in this article mean that the appropriations listed under them are  
 199.15 available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first  
 199.16 year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal  
 199.17 years 2018 and 2019.

199.18		<b><u>APPROPRIATIONS</u></b>	
199.19		<b><u>Available for the Year</u></b>	
199.20		<b><u>Ending June 30</u></b>	
199.21		<b><u>2018</u></b>	<b><u>2019</u></b>

199.22 **Sec. 2. MINNESOTA OFFICE OF HIGHER**  
 199.23 **EDUCATION**

199.24	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>500,000</u></b>
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199.25 The amounts that may be spent for each  
 199.26 purpose are specified in the following  
 199.27 subdivisions.

199.28	<b><u>Subd. 2. State Grants</u></b>		<b><u>-0-</u></b>		<b><u>300,000</u></b>
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199.29 This is a onetime appropriation.

199.30	<b><u>Subd. 3. Agricultural Educators Loan</u></b>				
199.31	<b><u>Forgiveness</u></b>		<b><u>-0-</u></b>		<b><u>100,000</u></b>

199.32 For transfer to the agricultural education loan  
 199.33 forgiveness account in the special revenue  
 199.34 fund under Minnesota Statutes, section

- 200.1 136A.1794, subdivision 2. This is a onetime  
 200.2 appropriation.
- 200.3 **Subd. 4. Student Loan Debt Counseling** -0- 50,000
- 200.4 For a student loan debt counseling grant under  
 200.5 Minnesota Statutes, section 136A.1705. This  
 200.6 is a onetime appropriation.
- 200.7 **Subd. 5. Teacher Preparation Program Design**  
 200.8 **Grant** -0- 50,000
- 200.9 For a teacher preparation program design grant  
 200.10 under section 37. This is a onetime  
 200.11 appropriation.
- 200.12 **Sec. 3. BOARD OF TRUSTEES OF THE**  
 200.13 **MINNESOTA STATE COLLEGES AND**  
 200.14 **UNIVERSITIES**
- 200.15 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **1,500,000**
- 200.16 The amounts that may be spent for each  
 200.17 purpose are specified in the following  
 200.18 subdivisions.
- 200.19 **Subd. 2. Operations and Maintenance** **-0-** **1,500,000**
- 200.20 (a) \$500,000 is for renewal of workforce  
 200.21 development scholarships first awarded in  
 200.22 academic year 2018-2019 under Minnesota  
 200.23 Statutes, section 136F.38. This is a onetime  
 200.24 appropriation and is available until June 30,  
 200.25 2020.
- 200.26 (b) \$1,000,000 is for upgrading the Integrated  
 200.27 Statewide Record System. This is a onetime  
 200.28 appropriation.
- 200.29 Sec. 4. Minnesota Statutes 2016, section 127A.70, subdivision 2, is amended to read:
- 200.30 Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations  
 200.31 to the governor and the legislature designed to maximize the achievement of all P-20 students  
 200.32 while promoting the efficient use of state resources, thereby helping the state realize the

201.1 maximum value for its investment. These recommendations may include, but are not limited  
201.2 to, strategies, policies, or other actions focused on:

201.3 (1) improving the quality of and access to education at all points from preschool through  
201.4 graduate education;

201.5 (2) improving preparation for, and transitions to, postsecondary education and work;

201.6 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,  
201.7 teacher preparation, induction and mentoring of beginning teachers, and continuous  
201.8 professional development for career teachers; and

201.9 (4) realigning the governance and administrative structures of early education,  
201.10 kindergarten through grade 12, and postsecondary systems in Minnesota.

201.11 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal  
201.12 Education Data System Governance Committee, the Office of Higher Education and the  
201.13 Departments of Education and Employment and Economic Development shall improve and  
201.14 expand the Statewide Longitudinal Education Data System (SLEDS) to provide policymakers,  
201.15 education and workforce leaders, researchers, and members of the public with data, research,  
201.16 and reports to:

201.17 (1) expand reporting on students' educational outcomes for diverse student populations  
201.18 including at-risk students, children with disabilities, English learners, and gifted students,  
201.19 among others, and include formative and summative evaluations based on multiple measures  
201.20 of child well-being, early childhood development, and student progress toward career and  
201.21 college readiness;

201.22 (2) evaluate the effectiveness of (i) investments in young children and families, and (ii)  
201.23 educational and workforce programs; and

201.24 (3) evaluate the relationship between (i) investments in young children and families,  
201.25 and (ii) education and workforce outcomes, consistent with section 124D.49.

201.26 To the extent possible under federal and state law, research and reports should be  
201.27 accessible to the public on the Internet, and disaggregated by demographic characteristics,  
201.28 organization or organization characteristics, and geography.

201.29 It is the intent of the legislature that the Statewide Longitudinal Education Data System  
201.30 inform public policy and decision-making. The SLEDS governance committee, with  
201.31 assistance from staff of the Office of Higher Education, the Department of Education, and  
201.32 the Department of Employment and Economic Development, shall respond to legislative  
201.33 committee and agency requests on topics utilizing data made available through the Statewide

202.1 Longitudinal Education Data System as resources permit. Any analysis of or report on the  
202.2 data must contain only summary data.

202.3 (c) By January 15 of each year, the partnership shall submit a report to the governor and  
202.4 to the chairs and ranking minority members of the legislative committees and divisions with  
202.5 jurisdiction over P-20 education policy and finance that summarizes the partnership's progress  
202.6 in meeting its goals and identifies the need for any draft legislation when necessary to further  
202.7 the goals of the partnership to maximize student achievement while promoting efficient use  
202.8 of resources.

202.9 Sec. 5. Minnesota Statutes 2016, section 135A.15, subdivision 2, is amended to read:

202.10 Subd. 2. **Victims' rights.** The policy required under subdivision 1 shall, at a minimum,  
202.11 require that students and employees be informed of the policy, and shall include provisions  
202.12 for:

202.13 (1) filing criminal charges with local law enforcement officials in sexual assault cases;

202.14 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying  
202.15 the appropriate law enforcement officials and disciplinary authorities of a sexual assault  
202.16 incident;

202.17 (3) allowing sexual assault victims to decide whether to report a case to law enforcement;

202.18 (4) requiring campus authorities to treat sexual assault victims with dignity;

202.19 (5) requiring campus authorities to offer sexual assault victims fair and respectful health  
202.20 care, counseling services, or referrals to such services;

202.21 (6) preventing campus authorities from suggesting to a victim of sexual assault that the  
202.22 victim is at fault for the crimes or violations that occurred;

202.23 (7) preventing campus authorities from suggesting to a victim of sexual assault that the  
202.24 victim should have acted in a different manner to avoid such a crime;

202.25 (8) subject to subdivision 10, protecting the privacy of sexual assault victims by only  
202.26 disclosing data collected under this section to the victim, persons whose work assignments  
202.27 reasonably require access, and, at a sexual assault victim's request, police conducting a  
202.28 criminal investigation;

202.29 (9) an investigation and resolution of a sexual assault complaint by campus disciplinary  
202.30 authorities;

203.1 (10) a sexual assault victim's participation in and the presence of the victim's attorney  
203.2 or other support person who is not a fact witness to the sexual assault at any meeting with  
203.3 campus officials concerning the victim's sexual assault complaint or campus disciplinary  
203.4 proceeding concerning a sexual assault complaint;

203.5 (11) ensuring that a sexual assault victim may decide when to repeat a description of  
203.6 the incident of sexual assault;

203.7 (12) notice to a sexual assault victim of the availability of a campus or local program  
203.8 providing sexual assault advocacy services and information on legal resources;

203.9 (13) notice to a sexual assault victim of the outcome of any campus disciplinary  
203.10 proceeding concerning a sexual assault complaint, consistent with laws relating to data  
203.11 practices;

203.12 (14) the complete and prompt assistance of campus authorities, at the direction of law  
203.13 enforcement authorities, in obtaining, securing, and maintaining evidence in connection  
203.14 with a sexual assault incident;

203.15 (15) the assistance of campus authorities in preserving for a sexual assault complainant  
203.16 or victim materials relevant to a campus disciplinary proceeding;

203.17 (16) during and after the process of investigating a complaint and conducting a campus  
203.18 disciplinary procedure, the assistance of campus personnel, in cooperation with the  
203.19 appropriate law enforcement authorities, at a sexual assault victim's request, in shielding  
203.20 the victim from unwanted contact with the alleged assailant, including transfer of the victim  
203.21 to alternative classes or to alternative college-owned housing, if alternative classes or housing  
203.22 are available and feasible;

203.23 (17) forbidding retaliation, and establishing a process for investigating complaints of  
203.24 retaliation, against sexual assault victims by campus authorities, the accused, organizations  
203.25 affiliated with the accused, other students, and other employees;

203.26 (18) at the request of the victim, providing students who reported sexual assaults to the  
203.27 institution and subsequently choose to transfer to another postsecondary institution with  
203.28 information about resources for victims of sexual assault at the institution to which the  
203.29 victim is transferring; and

203.30 (19) consistent with laws governing access to student records, providing a student who  
203.31 reported an incident of sexual assault with access to the student's description of the incident  
203.32 as it was reported to the institution, including if that student transfers to another postsecondary  
203.33 institution.

204.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 2, is amended  
204.2 to read:

204.3 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate  
204.4 must:

204.5 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved  
204.6 teacher preparation program that requires at least 12 weeks of student teaching in order to  
204.7 be recommended for a full professional teaching license;

204.8 (2) demonstrate financial need based on criteria established by the commissioner under  
204.9 subdivision 3;

204.10 (3) ~~intend to teach in a shortage area or belong to an underrepresented racial or ethnic~~  
204.11 ~~group~~ be meeting satisfactory academic progress as defined under section 136A.101,  
204.12 subdivision 10; and

204.13 (4) ~~be meeting satisfactory academic progress as defined under section 136A.101,~~  
204.14 ~~subdivision 10.~~ intend to teach in a shortage area or belong to an underrepresented racial  
204.15 or ethnic group. Intent can be documented based on the teacher license field the student is  
204.16 pursuing or a statement of intent to teach in an economic development region defined as a  
204.17 shortage area in the year the student receives a grant.

204.18 Sec. 7. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 3, is amended  
204.19 to read:

204.20 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an  
204.21 application process and other guidelines for implementing this program, ~~including repayment~~  
204.22 ~~responsibilities for stipend recipients who do not complete student teaching or who leave~~  
204.23 ~~Minnesota to teach in another state during the first year after student teaching.~~

204.24 (b) The commissioner must determine each academic year the stipend amount up to  
204.25 \$7,500 based on the amount of available funding, the number of eligible applicants, and the  
204.26 financial need of the applicants.

204.27 (c) The percentage of the total award funds available at the beginning of the fiscal year  
204.28 reserved for teacher candidates who identify as belonging to an underrepresented a racial  
204.29 or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or  
204.30 greater than the total percentage of students of ~~underrepresented~~ racial or ethnic groups  
204.31 underrepresented in the Minnesota teacher workforce as measured under section 120B.35,  
204.32 subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates,

205.1 the remaining amount may be awarded to teacher candidates who intend to teach in a shortage  
205.2 area.

205.3 Sec. 8. Minnesota Statutes 2016, section 136A.15, subdivision 8, is amended to read:

205.4 Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered  
205.5 or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident  
205.6 who is officially registered as a student or accepted for enrollment at an eligible institution  
205.7 in another state or province. Non-Minnesota residents are eligible students if they are enrolled  
205.8 or accepted for enrollment in a minimum of one course of at least 30 days in length during  
205.9 the academic year that requires physical attendance at an eligible institution located in  
205.10 Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year  
205.11 in correspondence courses or courses offered over the Internet are not eligible students.  
205.12 Non-Minnesota resident students not physically attending classes in Minnesota due to  
205.13 enrollment in a study abroad program for 12 months or less are eligible students.  
205.14 Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not  
205.15 eligible students. An eligible student, for section 136A.1701, means a student who gives  
205.16 informed consent authorizing the disclosure of data specified in section 136A.162, paragraph  
205.17 (c), to a consumer credit reporting agency.

205.18 Sec. 9. Minnesota Statutes 2016, section 136A.16, subdivision 1, is amended to read:

205.19 Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as  
205.20 the administrative agency for carrying out the purposes and terms of sections 136A.15 to  
205.21 ~~136A.1702~~ 136A.1704. The office may establish one or more loan programs.

205.22 Sec. 10. Minnesota Statutes 2016, section 136A.16, subdivision 2, is amended to read:

205.23 Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may  
205.24 prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to  
205.25 136A.1702. ~~The policies and rules except as they relate to loans under section 136A.1701~~  
205.26 ~~must be compatible with the provisions of the National Vocational Student Loan Insurance~~  
205.27 ~~Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any~~  
205.28 ~~amendments thereof.~~

206.1 Sec. 11. Minnesota Statutes 2016, section 136A.16, subdivision 5, is amended to read:

206.2 Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies,  
206.3 credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to  
206.4 ~~136A.1702~~ 136A.1704.

206.5 Sec. 12. Minnesota Statutes 2016, section 136A.16, subdivision 8, is amended to read:

206.6 Subd. 8. **Investment.** Money made available to the office that is not immediately needed  
206.7 for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704 may be invested by the  
206.8 office. The money must be invested in bonds, certificates of indebtedness, and other fixed  
206.9 income securities, except preferred stocks, which are legal investments for the permanent  
206.10 school fund. The money may also be invested in prime quality commercial paper that is  
206.11 eligible for investment in the state employees retirement fund. All interest and profits from  
206.12 such investments inure to the benefit of the office or may be pledged for security of bonds  
206.13 issued by the office or its predecessors.

206.14 Sec. 13. Minnesota Statutes 2016, section 136A.16, subdivision 9, is amended to read:

206.15 Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner  
206.16 deems necessary for the proper administration of the loan programs established and defined  
206.17 by sections 136A.15 to ~~136A.1702~~ 136A.1704.

206.18 Sec. 14. Minnesota Statutes 2016, section 136A.162, is amended to read:

206.19 **136A.162 CLASSIFICATION OF DATA.**

206.20 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance  
206.21 collected and used by the office for student financial aid programs administered by that  
206.22 office are private data on individuals as defined in section 13.02, subdivision 12.

206.23 (b) Data on applicants may be disclosed to the commissioner of human services to the  
206.24 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

206.25 (c) The following data collected in the Minnesota supplemental loan program under  
206.26 ~~section~~ sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting  
206.27 agency only if the borrower and the cosigner give informed consent, according to section  
206.28 13.05, subdivision 4, at the time of application for a loan:

206.29 (1) the lender-assigned borrower identification number;

206.30 (2) the name and address of borrower;

- 207.1 (3) the name and address of cosigner;
- 207.2 (4) the date the account is opened;
- 207.3 (5) the outstanding account balance;
- 207.4 (6) the dollar amount past due;
- 207.5 (7) the number of payments past due;
- 207.6 (8) the number of late payments in previous 12 months;
- 207.7 (9) the type of account;
- 207.8 (10) the responsibility for the account; and
- 207.9 (11) the status or remarks code.

207.10 Sec. 15. Minnesota Statutes 2016, section 136A.1701, subdivision 7, is amended to read:

207.11 Subd. 7. **Repayment of loans.** ~~(a) The office shall establish repayment procedures for~~  
 207.12 ~~loans made under this section, but in no event shall the period of permitted repayment for~~  
 207.13 ~~SELF II or SELF III loans exceed ten years from the eligible student's termination of the~~  
 207.14 ~~student's postsecondary academic or vocational program, or 15 years from the date of the~~  
 207.15 ~~student's first loan under this section, whichever is less. in accordance with the policies,~~  
 207.16 ~~rules, and conditions authorized under section 136A.16, subdivision 2. The office will take~~  
 207.17 ~~into consideration the loan limits and current financial market conditions when establishing~~  
 207.18 ~~repayment terms.~~

207.19 ~~(b) For SELF IV loans, eligible students with aggregate principal loan balances from~~  
 207.20 ~~all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten~~  
 207.21 ~~years from the eligible student's graduation or termination date. For SELF IV loans, eligible~~  
 207.22 ~~students with aggregate principal loan balances from all SELF phases of \$18,750 or greater~~  
 207.23 ~~shall have a repayment period not exceeding 15 years from the eligible student's graduation~~  
 207.24 ~~or termination date. For SELF IV loans, the loans shall enter repayment no later than seven~~  
 207.25 ~~years after the first disbursement date on the loan.~~

207.26 ~~(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal~~  
 207.27 ~~loan balances from all SELF phases that are:~~

- 207.28 ~~(1) less than \$20,000, must have a repayment period not exceeding ten years from the~~  
 207.29 ~~eligible student's graduation or termination date;~~
- 207.30 ~~(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from~~  
 207.31 ~~the eligible student's graduation or termination date; and~~

208.1 ~~(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the~~  
 208.2 ~~eligible student's graduation or termination date. For SELF loans from phases after SELF~~  
 208.3 ~~IV, the loans must enter repayment no later than nine years after the first disbursement date~~  
 208.4 ~~of the loan.~~

208.5 Sec. 16. [136A.1705] STUDENT LOAN DEBT COUNSELING.

208.6 Subdivision 1. **Grant.** (a) A program is established under the Office of Higher Education  
 208.7 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization  
 208.8 to provide individual student loan debt repayment counseling to borrowers who are Minnesota  
 208.9 residents concerning loans obtained to attend a Minnesota postsecondary institution. The  
 208.10 number of individuals receiving counseling may be limited to those capable of being served  
 208.11 with available appropriations for that purpose. A goal of the counseling program is to provide  
 208.12 two counseling sessions to at least 75 percent of borrowers receiving counseling.

208.13 (b) The purpose of the counseling is to assist borrowers to:

208.14 (1) understand their loan and repayment options;

208.15 (2) manage loan repayment; and

208.16 (3) develop a workable budget based on the borrower's full financial situation regarding  
 208.17 income, expenses, and other debt.

208.18 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling  
 208.19 organization is an organization that:

208.20 (1) has experience in providing individualized student loan counseling;

208.21 (2) employs certified financial loan counselors; and

208.22 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations  
 208.23 in the state to provide in-person counseling.

208.24 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form  
 208.25 created by the commissioner and on a schedule set by the commissioner. Among other  
 208.26 provisions, the application must include a description of:

208.27 (1) the characteristics of borrowers to be served;

208.28 (2) the services to be provided and a timeline for implementation of the services;

208.29 (3) how the services provided will help borrowers manage loan repayment;

208.30 (4) specific program outcome goals and performance measures for each goal; and

209.1 (5) how the services will be evaluated to determine whether the program goals were  
 209.2 met.

209.3 (b) The commissioner shall select one grant recipient for a two-year award every two  
 209.4 years. A grant may be renewed biennially.

209.5 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the  
 209.6 commissioner by January 15 of the second year of the grant award. The report must evaluate  
 209.7 and measure the extent to which program outcome goals have been met.

209.8 (b) The grant recipient must collect, analyze, and report on participation and outcome  
 209.9 data that enable the office to verify the outcomes.

209.10 (c) The evaluation must include information on the number of borrowers served with  
 209.11 on-time student loan payments, the numbers who brought their loans into good standing,  
 209.12 the number of student loan defaults, the number who developed a monthly budget plan, and  
 209.13 other information required by the commissioner. Recipients of the counseling must be  
 209.14 surveyed on their opinions about the usefulness of the counseling and the survey results  
 209.15 must be included in the report.

209.16 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,  
 209.17 the commissioner must submit a report to the committees in the legislature with jurisdiction  
 209.18 over higher education finance regarding grant program outcomes.

209.19 Sec. 17. Minnesota Statutes 2017 Supplement, section 136A.1789, subdivision 2, is  
 209.20 amended to read:

209.21 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account  
 209.22 is established in the special revenue fund to provide qualified pilots and qualified aircraft  
 209.23 technicians with financial assistance in repaying qualified education loans. The commissioner  
 209.24 must use money from the account to establish and administer the aviation degree loan  
 209.25 forgiveness program.

209.26 (b) ~~Appropriations made to~~ Money in the aviation degree loan forgiveness program  
 209.27 account ~~is~~ is appropriated to the commissioner for purposes of this section, does not cancel,  
 209.28 and is ~~not cancel and~~ are available until expended.

209.29 Sec. 18. Minnesota Statutes 2016, section 136A.1791, subdivision 8, is amended to read:

209.30 Subd. 8. **Fund Account established.** A teacher shortage loan forgiveness repayment  
 209.31 fund account is created in the special revenue fund for depositing money appropriated to  
 209.32 or received by the commissioner for the program. Money deposited in the fund shall not

210.1 account is appropriated to the commissioner, does not cancel, revert to any state fund at the  
210.2 end of any fiscal year but remains in the loan forgiveness repayment fund and is continuously  
210.3 available for loan forgiveness under this section.

210.4 Sec. 19. Minnesota Statutes 2016, section 136A.1795, subdivision 2, is amended to read:

210.5 Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and  
210.6 administer a loan forgiveness program for large animal veterinarians who:

210.7 (1) agree to practice in designated rural areas that are considered underserved; and

210.8 (2) work full time in a practice that is at least 50 percent involved with the care of food  
210.9 animals.

210.10 (b) A large animal veterinarian loan forgiveness program account is established in the  
210.11 special revenue fund. Money in the account is appropriated to the commissioner to establish  
210.12 and administer the program under this section. Appropriations to the commissioner for the  
210.13 program are for transfer to the account. Appropriations made to the program do not cancel  
210.14 and are available until expended.

210.15 Sec. 20. Minnesota Statutes 2016, section 136A.64, subdivision 1, is amended to read:

210.16 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
210.17 shall provide the office with such information as the office needs to determine the nature  
210.18 and activities of the school, including but not limited to the following which shall be  
210.19 accompanied by an affidavit attesting to its accuracy and truthfulness:

210.20 (1) articles of incorporation, constitution, bylaws, or other operating documents;

210.21 (2) a duly adopted statement of the school's mission and goals;

210.22 (3) evidence of current school or program licenses granted by departments or agencies  
210.23 of any state;

210.24 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past  
210.25 fiscal year including any management letters provided by the independent auditor or, if the  
210.26 school is a public institution outside Minnesota, an income statement for the immediate past  
210.27 fiscal year;

210.28 (5) all current promotional and recruitment materials and advertisements; and

210.29 (6) the current school catalog and, if not contained in the catalog:

210.30 (i) the members of the board of trustees or directors, if any;

- 211.1 (ii) the current institutional officers;
- 211.2 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 211.3 (iv) a description of all school facilities;
- 211.4 (v) a description of all current course offerings;
- 211.5 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 211.6 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 211.7 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 211.8 housing, and all other standard charges;
- 211.9 (ix) the school's policy about refunds and adjustments;
- 211.10 (x) the school's policy about granting credit for prior education, training, and experience;
- 211.11 ~~and~~
- 211.12 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 211.13 and
- 211.14 (xii) the school's disclosure to students on the student complaint process under section
- 211.15 136A.672.

211.16 Sec. 21. Minnesota Statutes 2017 Supplement, section 136A.646, is amended to read:

211.17 **136A.646 ADDITIONAL SECURITY.**

211.18 (a) New schools that have been granted conditional approval for degrees or names to

211.19 allow them the opportunity to apply for and receive accreditation under section 136A.65,

211.20 subdivision 7, ~~or~~ shall provide a surety bond in a sum equal to ten percent of the net revenue

211.21 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the

211.22 bond be less than \$10,000.

211.23 (b) Any registered institution that is notified by the United States Department of Education

211.24 that it has fallen below minimum financial standards and that its continued participation in

211.25 Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal

211.26 Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code

211.27 of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond

211.28 in a sum equal to the "letter of credit" required by the United States Department of Education

211.29 in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor

211.30 more than \$250,000. In the event the letter of credit required by the United States Department

211.31 of Education is higher than ten percent of the Title IV, Higher Education Act program funds

212.1 received by the institution during its most recently completed fiscal year, the office shall  
 212.2 reduce the office's surety requirement to represent ten percent of the Title IV, Higher  
 212.3 Education Act program funds received by the institution during its most recently completed  
 212.4 fiscal year, subject to the minimum and maximum in this paragraph.

212.5 ~~(b)~~ (c) In lieu of a bond, the applicant may deposit with the commissioner of management  
 212.6 and budget:

212.7 (1) a sum equal to the amount of the required surety bond in cash;

212.8 (2) securities, as may be legally purchased by savings banks or for trust funds, in an  
 212.9 aggregate market value equal to the amount of the required surety bond; or

212.10 (3) an irrevocable letter of credit issued by a financial institution to the amount of the  
 212.11 required surety bond.

212.12 ~~(e)~~ (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to  
 212.13 the office and shall be relieved of liability for any breach of condition occurring after the  
 212.14 effective date of cancellation.

212.15 ~~(d)~~ (e) In the event of a school closure, the additional security must first be used to  
 212.16 destroy any private educational data under section 13.32 left at a physical campus in  
 212.17 Minnesota after all other governmental agencies have recovered or retrieved records under  
 212.18 their record retention policies. Any remaining funds must then be used to reimburse tuition  
 212.19 and fee costs to students that were enrolled at the time of the closure or had withdrawn in  
 212.20 the previous 120 calendar days but did not graduate. Priority for refunds will be given to  
 212.21 students in the following order:

212.22 (1) cash payments made by the student or on behalf of a student;

212.23 (2) private student loans; and

212.24 (3) Veteran Administration education benefits that are not restored by the Veteran  
 212.25 Administration. If there are additional security funds remaining, the additional security  
 212.26 funds may be used to cover any administrative costs incurred by the office related to the  
 212.27 closure of the school.

212.28 Sec. 22. Minnesota Statutes 2017 Supplement, section 136A.672, is amended by adding  
 212.29 a subdivision to read:

212.30 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
 212.31 student catalog the student complaint process under this section to students.

213.1 Sec. 23. Minnesota Statutes 2017 Supplement, section 136A.822, subdivision 6, is amended  
213.2 to read:

213.3 Subd. 6. **Bond.** (a) No license shall be issued to any private career school which  
213.4 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,  
213.5 unless the applicant files with the office a continuous corporate surety bond written by a  
213.6 company authorized to do business in Minnesota conditioned upon the faithful performance  
213.7 of all contracts and agreements with students made by the applicant.

213.8 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net  
213.9 ~~income~~ revenue from student tuition, fees, and other required institutional charges collected,  
213.10 but in no event less than \$10,000, except that a private career school may deposit a greater  
213.11 amount at its own discretion. A private career school in each annual application for licensure  
213.12 must compute the amount of the surety bond and verify that the amount of the surety bond  
213.13 complies with this subdivision. A private career school that operates at two or more locations  
213.14 may combine net ~~income~~ revenue from student tuition, fees, and other required institutional  
213.15 charges collected for all locations for the purpose of determining the annual surety bond  
213.16 requirement. The net revenue from tuition and fees used to determine the amount of the  
213.17 surety bond required for a private career school having a license for the sole purpose of  
213.18 recruiting students in Minnesota shall be only that paid to the private career school by the  
213.19 students recruited from Minnesota.

213.20 (2) A person required to obtain a private career school license due to the use of  
213.21 "academy," "institute," "college," or "university" in its name and which is also licensed by  
213.22 another state agency or board, except not including those schools licensed exclusively in  
213.23 order to participate in state grants or SELF loan financial aid programs, shall be required  
213.24 to provide a school bond of \$10,000.

213.25 (c) The bond shall run to the state of Minnesota and to any person who may have a cause  
213.26 of action against the applicant arising at any time after the bond is filed and before it is  
213.27 canceled for breach of any contract or agreement made by the applicant with any student.  
213.28 The aggregate liability of the surety for all breaches of the conditions of the bond shall not  
213.29 exceed the principal sum deposited by the private career school under paragraph (b). The  
213.30 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and  
213.31 shall be relieved of liability for any breach of condition occurring after the effective date  
213.32 of cancellation.

213.33 (d) In lieu of bond, the applicant may deposit with the commissioner of management  
213.34 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable

214.1 letter of credit issued by a financial institution equal to the amount of the required surety  
214.2 bond, or securities as may be legally purchased by savings banks or for trust funds in an  
214.3 aggregate market value equal to the amount of the required surety bond.

214.4 (e) Failure of a private career school to post and maintain the required surety bond or  
214.5 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's  
214.6 license.

214.7 Sec. 24. Minnesota Statutes 2016, section 136A.822, subdivision 10, is amended to read:

214.8 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a  
214.9 private career school, the private career school shall furnish to the office a catalog, brochure,  
214.10 or electronic display including:

214.11 (1) identifying data, such as volume number and date of publication;

214.12 (2) name and address of the private career school and its governing body and officials;

214.13 (3) a calendar of the private career school showing legal holidays, beginning and ending  
214.14 dates of each course quarter, term, or semester, and other important dates;

214.15 (4) the private career school policy and regulations on enrollment including dates and  
214.16 specific entrance requirements for each program;

214.17 (5) the private career school policy and regulations about leave, absences, class cuts,  
214.18 make-up work, tardiness, and interruptions for unsatisfactory attendance;

214.19 (6) the private career school policy and regulations about standards of progress for the  
214.20 student including the grading system of the private career school, the minimum grades  
214.21 considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a  
214.22 description of any probationary period allowed by the private career school, and conditions  
214.23 of reentrance for those dismissed for unsatisfactory progress;

214.24 (7) the private career school policy and regulations about student conduct and conditions  
214.25 for dismissal for unsatisfactory conduct;

214.26 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student  
214.27 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

214.28 (9) the private career school policy and regulations, including an explanation of section  
214.29 136A.827, about refunding tuition, fees, and other charges if the student does not enter the  
214.30 program, withdraws from the program, or the program is discontinued;

214.31 (10) a description of the available facilities and equipment;

215.1 (11) a course outline syllabus for each course offered showing course objectives, subjects  
 215.2 or units in the course, type of work or skill to be learned, and approximate time, hours, or  
 215.3 credits to be spent on each subject or unit;

215.4 (12) the private career school policy and regulations about granting credit for previous  
 215.5 education and preparation;

215.6 (13) a notice to students relating to the transferability of any credits earned at the private  
 215.7 career school to other institutions;

215.8 (14) a procedure for investigating and resolving student complaints; ~~and~~

215.9 (15) the name and address of the office; and

215.10 (16) the student complaint process and rights under section 136A.8295.

215.11 A private career school that is exclusively a distance education school is exempt from  
 215.12 clauses (3) and (5).

215.13 Sec. 25. Minnesota Statutes 2017 Supplement, section 136A.8295, is amended by adding  
 215.14 a subdivision to read:

215.15 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
 215.16 student catalog the student complaint process under this section to students.

215.17 Sec. 26. Minnesota Statutes 2016, section 136A.901, subdivision 1, is amended to read:

215.18 Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program  
 215.19 to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic  
 215.20 brain injuries. Grants shall be awarded to conduct research into new and innovative treatments  
 215.21 and rehabilitative efforts for the functional improvement of people with spinal cord and  
 215.22 traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical,  
 215.23 medical device, brain stimulus, and rehabilitative approaches and techniques. The  
 215.24 commissioner, in consultation with the advisory council established under section 136A.902,  
 215.25 shall award 50 percent of the grant funds for research involving spinal cord injuries and 50  
 215.26 percent to research involving traumatic brain injuries. In addition to the amounts appropriated  
 215.27 by law, the commissioner may accept additional funds from private and public sources.  
 215.28 Amounts received from these sources are appropriated to the commissioner for the purposes  
 215.29 of issuing grants under this section.

215.30 (b) A spinal cord and traumatic brain injury grant account is established in the special  
 215.31 revenue fund. Money in the account is appropriated to the commissioner to make grants

216.1 and to administer the grant program under this section. Appropriations to the commissioner  
 216.2 for the program are for transfer to the account, do not cancel, and are available until  
 216.3 expended.

216.4 Sec. 27. Minnesota Statutes 2017 Supplement, section 298.2215, is amended to read:

216.5 **298.2215 COUNTY SCHOLARSHIP PROGRAM ENDOWMENT ACCOUNT.**

216.6 Subdivision 1. **Establishment Account established.** A county board of commissioners  
 216.7 may establish a scholarship fund from an endowment account and may deposit into the  
 216.8 account any unencumbered revenue received pursuant to section 298.018, 298.28, 298.39,  
 216.9 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships  
 216.10 must be used at a two-year Minnesota State Colleges and Universities institution within the  
 216.11 county. The county shall establish procedures for applying for and distributing the  
 216.12 scholarships The county board may deposit into the account private contributions, gifts, or  
 216.13 grants. Any interest or profit accruing from the investment of these sums is credited to the  
 216.14 account.

216.15 **Subd. 1a. Use of funds.** Income derived from the investment of the principal in the  
 216.16 account must be used to provide scholarships to eligible applicants. Scholarships must be  
 216.17 used at a two-year Minnesota State Colleges and Universities institution within the county.  
 216.18 The county board shall establish procedures for applying for and distributing the scholarships.

216.19 **Subd. 2. Eligibility.** An applicant for a scholarship under this section must be a resident  
 216.20 of the county at the time of the applicant's high school graduation. The county board may  
 216.21 establish additional eligibility criteria.

216.22 **Subd. 3. Investment.** The county board may:

216.23 (1) deposit part or all of the endowment account funds as provided in chapter 118A; or

216.24 (2) enter into an agreement with the State Board of Investment to invest all or part of  
 216.25 the endowment account funds in investments under section 11A.24, on behalf of the county.

216.26 **Subd. 4. Audits.** The account is subject to audit by the state auditor.

216.27 Sec. 28. Laws 2017, chapter 89, article 1, section 2, subdivision 18, is amended to read:

216.28	Subd. 18. <b>MNSCU Two-Year Public College</b>	3,481,000	
216.29	<b>Program</b>	<u>2,481,000</u>	-0-

216.30 (a) ~~\$2,780,000~~ \$1,780,000 in fiscal year 2018  
 216.31 is for two-year public college program grants

217.1 under Laws 2015, chapter 69, article 3, section  
217.2 20.

217.3 (b) \$545,000 in fiscal year 2018 is to provide  
217.4 mentoring and outreach as specified under  
217.5 Laws 2015, chapter 69, article 3, section 20.

217.6 (c) \$156,000 in fiscal year 2018 is for  
217.7 information technology and administrative  
217.8 costs associated with implementation of the  
217.9 grant program.

217.10 **EFFECTIVE DATE.** This section is effective June 30, 2018.

217.11 Sec. 29. Laws 2017, chapter 89, article 1, section 2, subdivision 20, is amended to read:

217.12 Subd. 20. **Spinal Cord Injury and Traumatic**  
217.13 **Brain Injury Research Grant Program**

3,000,000

3,000,000

217.14 ~~For spinal cord injury and traumatic brain~~  
217.15 ~~injury research grants authorized under~~  
217.16 ~~Minnesota Statutes, section 136A.901.~~

217.17 For transfer to the spinal cord and traumatic  
217.18 brain injury grant account in the special  
217.19 revenue fund under Minnesota Statutes,  
217.20 section 136A.901, subdivision 1.

217.21 The commissioner may use no more than three  
217.22 percent of ~~this appropriation~~ the amount  
217.23 transferred under this subdivision to administer  
217.24 the grant program ~~under this subdivision.~~

217.25 Sec. 30. Laws 2017, chapter 89, article 1, section 2, subdivision 29, is amended to read:

217.26 Subd. 29. **Emergency Assistance for**  
217.27 **Postsecondary Students**

175,000

175,000

217.28 (a) This appropriation is for the Office of  
217.29 Higher Education to allocate grant funds on a  
217.30 matching basis to ~~schools~~ eligible institutions  
217.31 as defined under Minnesota Statutes, section  
217.32 136A.103, located in Minnesota with a  
217.33 demonstrable homeless student population.

218.1 (b) This appropriation shall be used to meet  
 218.2 immediate student needs that could result in  
 218.3 a student not completing the term or their  
 218.4 program including, but not limited to,  
 218.5 emergency housing, food, and transportation.  
 218.6 Emergency assistance does not impact the  
 218.7 amount of state financial aid received.

218.8 (c) The commissioner shall determine the  
 218.9 application process and the grant amounts.  
 218.10 Any balance in the first year does not cancel  
 218.11 but shall be available in the second year. The  
 218.12 Office of Higher Education shall partner with  
 218.13 interested postsecondary institutions, other  
 218.14 state agencies, and student groups to establish  
 218.15 the programs.

218.16 Sec. 31. Laws 2017, chapter 89, article 1, section 2, subdivision 31, is amended to read:

218.17 Subd. 31. <b>Teacher Shortage Loan Forgiveness</b>	200,000	200,000
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218.18 For transfer to the teacher shortage loan  
 218.19 forgiveness program repayment account in the  
 218.20 special revenue fund under Minnesota  
 218.21 Statutes, section 136A.1791, subdivision 8.

218.22 The commissioner may use no more than three  
 218.23 percent of ~~this appropriation~~ the amount  
 218.24 transferred under this subdivision to administer  
 218.25 the program ~~under this subdivision.~~

218.26 Sec. 32. Laws 2017, chapter 89, article 1, section 2, subdivision 32, is amended to read:

218.27 Subd. 32. <b>Large Animal Veterinarian Loan</b>		
218.28 <b>Forgiveness Program</b>	375,000	375,000

218.29 For transfer to the large animal veterinarian  
 218.30 loan forgiveness program account in the  
 218.31 special revenue fund under Minnesota  
 218.32 Statutes, section 136A.1795, subdivision 2.

219.1 Sec. 33. Laws 2017, chapter 89, article 1, section 2, subdivision 33, is amended to read:

219.2 **Subd. 33. Agricultural Educators Loan**

219.3 **Forgiveness** 50,000 50,000

219.4 For ~~deposit in~~ transfer to the agricultural

219.5 education loan forgiveness account in the

219.6 special revenue fund under Minnesota

219.7 Statutes, section 136A.1794, subdivision 2.

219.8 Sec. 34. Laws 2017, chapter 89, article 1, section 2, subdivision 34, is amended to read:

219.9 **Subd. 34. Aviation Degree Loan Forgiveness**

219.10 **Program** 25,000 25,000

219.11 For transfer to the aviation degree loan

219.12 forgiveness program account in the special

219.13 revenue fund under Minnesota Statutes,

219.14 section 136A.1789, subdivision 2.

219.15 Sec. 35. Laws 2017, chapter 89, article 1, section 2, subdivision 40, is amended to read:

219.16 **Subd. 40. Transfers**

219.17 The commissioner of the Office of Higher

219.18 Education may transfer unencumbered

219.19 balances from the appropriations in this

219.20 section to the state grant appropriation, the

219.21 interstate tuition reciprocity appropriation, the

219.22 child care grant appropriation, the Indian

219.23 scholarship appropriation, intervention for

219.24 college attendance program grants

219.25 appropriation, summer academic enrichment

219.26 program appropriation, student-parent

219.27 information appropriation, the state

219.28 work-study appropriation, the get ready

219.29 appropriation, and the public safety officers'

219.30 survivors appropriation. Transfers from the

219.31 child care or state work-study appropriations

219.32 may only be made to the extent there is a

219.33 projected surplus in the appropriation. A

219.34 transfer may be made only with prior written

220.1 notice to the chairs and ranking minority  
220.2 members of the senate and house of  
220.3 representatives committees with jurisdiction  
220.4 over higher education finance.

220.5 Sec. 36. **AFFORDABLE TEXTBOOK PLAN AND REPORT.**

220.6 The Board of Trustees of the Minnesota State Colleges and Universities shall develop  
220.7 a plan to increase the use of affordable textbooks and instructional materials. The board  
220.8 must explore and study registration software or other systems and methods to disclose or  
220.9 display the cost of all textbooks and instructional materials required for a course at or prior  
220.10 to course registration. The plan must describe the systems or methods examined and the  
220.11 results of the study. The plan must establish a goal for the percentage of all courses offered  
220.12 at state colleges and universities that will use affordable textbooks and instructional materials.  
220.13 The plan must identify and describe key terms, including "affordable textbook," "instructional  
220.14 material," and "course." The board must submit the plan to the chairs and ranking minority  
220.15 members of the legislative committees with jurisdiction over higher education by January  
220.16 15, 2020.

220.17 Sec. 37. **TEACHER PREPARATION PROGRAM DESIGN GRANT.**

220.18 The commissioner of the Office of Higher Education shall make a grant to an institution  
220.19 of higher education, defined under Minnesota Statutes, section 135A.51, subdivision 5, to  
220.20 explore, design, and plan for a teacher preparation program leading to licensure as a teacher  
220.21 of the blind or visually impaired, consistent with Minnesota Rules, part 8710.5100. The  
220.22 commissioner may develop an application process and guidelines, as necessary, and may  
220.23 use up to two percent of the appropriation for administrative costs. The grant recipient shall  
220.24 submit a report describing the plan and identifying potential ongoing costs for the program  
220.25 to the chairs and ranking minority members of the legislative committees with jurisdiction  
220.26 over higher education finance and policy no later than January 15, 2020.

220.27 Sec. 38. **REPEALER.**

220.28 Minnesota Statutes 2016, sections 136A.15, subdivisions 2 and 7; and 136A.1701,  
220.29 subdivision 12, are repealed.

221.1

**ARTICLE 17**

221.2

**TRANSPORTATION**

221.3 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended  
221.4 to read:

221.5 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must  
221.6 perform a transit financial activity review of financial information for the Metropolitan  
221.7 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~  
221.8 ~~Within 14 days of the end of each fiscal quarter,~~ two times each year. The first report, due  
221.9 April 1, must include the quarters ending on September 30 and December 31 of the previous  
221.10 calendar year. The second report, due October 1, must include the quarters ending on March  
221.11 31 and June 30 of the current year. The legislative auditor must submit the review to the  
221.12 Legislative Audit Commission and the chairs and ranking minority members of the legislative  
221.13 committees with jurisdiction over transportation policy and finance, finance, and ways and  
221.14 means.

221.15 (b) At a minimum, each transit financial activity review must include:

221.16 (1) a summary of monthly financial statements, including balance sheets and operating  
221.17 statements, that shows income, expenditures, and fund balance;

221.18 (2) a list of any obligations and agreements entered into related to transit purposes,  
221.19 whether for capital or operating, including but not limited to bonds, notes, grants, and future  
221.20 funding commitments;

221.21 (3) the amount of funds in clause (2) that has been committed;

221.22 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues  
221.23 and fund balance compared to expenditures, taking into account:

221.24 (i) all expenditure commitments;

221.25 (ii) cash flow;

221.26 (iii) sufficiency of estimated funds; and

221.27 (iv) financial solvency of anticipated transit projects; and

221.28 (5) a notification concerning whether the requirements under paragraph (c) have been  
221.29 met.

222.1 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must  
 222.2 produce monthly financial statements as necessary for the review under paragraph (b),  
 222.3 clause (1), and provide timely information as requested by the legislative auditor.

222.4 (d) This subdivision expires on April 15, 2023.

222.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

222.6 Sec. 2. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

222.7 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is  
 222.8 established within the transit assistance fund in the state treasury. All money in the account  
 222.9 is annually appropriated to the Metropolitan Council for ~~the funding of transit systems~~  
 222.10 system operating expenditures within the metropolitan area under sections 473.384, 473.386,  
 222.11 473.387, 473.388, and 473.405 to 473.449.

222.12 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
 222.13 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

222.14 Sec. 3. Minnesota Statutes 2016, section 80E.13, is amended to read:

222.15 **80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS,**  
 222.16 **FACTORY BRANCHES.**

222.17 It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch  
 222.18 to engage in any of the following practices:

222.19 (a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or  
 222.20 accessories in reasonable time and in reasonable quantity relative to the new motor vehicle  
 222.21 dealer's facilities and sales potential in the dealer's relevant market area, after having accepted  
 222.22 an order from a new motor vehicle dealer having a franchise for the retail sale of any new  
 222.23 motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle  
 222.24 or new motor vehicle parts or accessories are publicly advertised as being available for  
 222.25 delivery or actually being delivered. This clause is not violated, however, if the failure is  
 222.26 caused by acts or causes beyond the control of the manufacturer;

222.27 (b) refuse to disclose to any new motor vehicle dealer handling the same line make, the  
 222.28 manner and mode of distribution of that line make within the relevant market area;

222.29 (c) obtain money, goods, service, or any other benefit from any other person with whom  
 222.30 the dealer does business, on account of, or in relation to, the transaction between the dealer

223.1 and the other person, other than for compensation for services rendered, unless the benefit  
223.2 is promptly accounted for, and transmitted to, the new motor vehicle dealer;

223.3 (d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered  
223.4 for private retail consumers prior to the dealer's receiving the written official price increase  
223.5 notification. A sales contract signed by a private retail consumer shall constitute evidence  
223.6 of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer  
223.7 price reductions, the amount of any reduction received by a dealer shall be passed on to the  
223.8 private retail consumer by the dealer if the retail price was negotiated on the basis of the  
223.9 previous higher price to the dealer;

223.10 (e) offer any refunds or other types of inducements to any new motor vehicle dealer for  
223.11 the purchase of new motor vehicles of a certain line make without making the same offer  
223.12 to all other new motor vehicle dealers in the same line make within geographic areas  
223.13 reasonably determined by the manufacturer;

223.14 (f) release to any outside party, except under subpoena or in an administrative or judicial  
223.15 proceeding involving the manufacturer or dealer, any business, financial, or personal  
223.16 information which may be provided by the dealer to the manufacturer, without the express  
223.17 written consent of the dealer or unless pertinent to judicial or governmental administrative  
223.18 proceedings or to arbitration proceedings of any kind;

223.19 (g) deny any new motor vehicle dealer the right of free association with any other new  
223.20 motor vehicle dealer for any lawful purpose;

223.21 (h) unfairly discriminate among its new motor vehicle dealers with respect to warranty  
223.22 reimbursement or authority granted its new vehicle dealers to make warranty adjustments  
223.23 with retail customers;

223.24 (i) compete with a new motor vehicle dealer in the same line make operating under an  
223.25 agreement or franchise from the same manufacturer, distributor, or factory branch. A  
223.26 manufacturer, distributor, or factory branch is considered to be competing when it has an  
223.27 ownership interest, other than a passive interest held for investment purposes, in a dealership  
223.28 of its line make located within the state. A manufacturer, distributor, or factory branch shall  
223.29 not, however, be deemed to be competing when operating a dealership, either temporarily  
223.30 or for a reasonable period, which is for sale to any qualified independent person at a fair  
223.31 and reasonable price, or when involved in a bona fide relationship in which an independent  
223.32 person has made a significant investment subject to loss in the dealership and can reasonably  
223.33 expect to acquire full ownership and full management and operational control of the  
223.34 dealership within a reasonable time on reasonable terms and conditions;

224.1 (j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle  
224.2 dealership to a qualified transferee. There shall be no transfer, assignment of the franchise,  
224.3 or major change in the executive management of the dealership, except as is otherwise  
224.4 provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall  
224.5 not be withheld without good cause. In determining whether good cause exists for  
224.6 withholding consent to a transfer or assignment, the manufacturer, distributor, factory  
224.7 branch, or importer has the burden of proving that the transferee is a person who is not of  
224.8 good moral character or does not meet the franchisor's existing and reasonable capital  
224.9 standards and, considering the volume of sales and service of the new motor vehicle dealer,  
224.10 reasonable business experience standards in the market area. Denial of the request must be  
224.11 in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer  
224.12 receives the completed application customarily used by the manufacturer, distributor, factory  
224.13 branch, or importer for dealer appointments. If a denial is not sent within this period, the  
224.14 manufacturer shall be deemed to have given its consent to the proposed transfer or change.  
224.15 In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor,  
224.16 factory branch, or importer shall be permitted to exercise a right of first refusal to acquire  
224.17 the franchisee's assets or ownership if:

224.18 (1) the franchise agreement permits the manufacturer, distributor, factory branch, or  
224.19 importer to exercise a right of first refusal to acquire the franchisee's assets or ownership  
224.20 in the event of a proposed sale or transfer;

224.21 (2) the proposed transfer of the dealership or its assets is of more than 50 percent of the  
224.22 ownership or assets;

224.23 (3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing  
224.24 within 60 days of its receipt of the complete written proposal for the proposed sale or transfer  
224.25 on forms generally utilized by the manufacturer, distributor, factory branch, or importer for  
224.26 such purposes and containing the information required therein and all documents and  
224.27 agreements relating to the proposed sale or transfer;

224.28 (4) the exercise of the right of first refusal will result in the dealer and dealer's owners  
224.29 receiving the same or greater consideration with equivalent terms of sale as is provided in  
224.30 the documents and agreements submitted to the manufacturer, distributor, factory branch,  
224.31 or importer under clause (3);

224.32 (5) the proposed change of 50 percent or more of the ownership or of the dealership  
224.33 assets does not involve the transfer or sale of assets or the transfer or issuance of stock by  
224.34 the dealer or one or more dealer owners to a family member, including a spouse, child,

225.1 stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer  
225.2 owner; to a manager who has been employed in the dealership for at least four years and is  
225.3 otherwise qualified as a dealer operator; or to a partnership or corporation owned and  
225.4 controlled by one or more of such persons; and

225.5 (6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable  
225.6 expenses, including reasonable attorney fees, which do not exceed the usual customary and  
225.7 reasonable fees charged for similar work done for other clients incurred by the proposed  
225.8 new owner and transferee before the manufacturer, distributor, factory branch, or importer  
225.9 exercises its right of first refusal, in negotiating and implementing the contract for the  
225.10 proposed change of ownership or transfer of dealership assets. However, payment of such  
225.11 expenses and attorney fees shall not be required if the dealer has not submitted or caused  
225.12 to be submitted an accounting of those expenses within 20 days after the dealer's receipt of  
225.13 the manufacturer, distributor, factory branch, or importer's written request for such an  
225.14 accounting. The manufacturer, distributor, factory branch, or importer may request such an  
225.15 accounting before exercising its right of first refusal. The obligation created under this clause  
225.16 is enforceable by the transferee;

225.17 (k) threaten to modify or replace or modify or replace a franchise with a succeeding  
225.18 franchise that would adversely alter the rights or obligations of a new motor vehicle dealer  
225.19 under an existing franchise or that substantially impairs the sales or service obligations or  
225.20 investments of the motor vehicle dealer;

225.21 (l) unreasonably deny the right to acquire factory program vehicles to any dealer holding  
225.22 a valid franchise from the manufacturer to sell the same line make of vehicles, provided  
225.23 that the manufacturer may impose reasonable restrictions and limitations on the purchase  
225.24 or resale of program vehicles to be applied equitably to all of its franchised dealers. For the  
225.25 purposes of this paragraph, "factory program vehicle" has the meaning given the term in  
225.26 section 80E.06, subdivision 2;

225.27 (m) fail or refuse to offer to its same line make franchised dealers all models manufactured  
225.28 for that line make, other than alternative fuel vehicles as defined in section 216C.01,  
225.29 subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not  
225.30 arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other  
225.31 cause over which the manufacturer, distributor, or factory branch has no control;

225.32 (n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's  
225.33 existing facilities, or purchase unreasonable advertising displays, training, tools, or other

226.1 materials, or to require the dealer to establish exclusive facilities or dedicated personnel as  
 226.2 a prerequisite to receiving a model or a series of vehicles;

226.3 (o) require a dealer to adhere to performance standards that are not applied uniformly  
 226.4 to other similarly situated dealers.

226.5 A performance standard, sales objective, or program for measuring dealership performance  
 226.6 that may have a material effect on a dealer, including the dealer's right to payment under  
 226.7 any incentive or reimbursement program, and the application of the standard or program  
 226.8 by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and  
 226.9 based on accurate information.

226.10 A manufacturer, distributor, or factory branch has the burden of proving that the performance  
 226.11 standard, sales objective, or program for measuring dealership performance is fair and  
 226.12 reasonable under this subdivision;

226.13 (p) unreasonably reduce a dealer's area of sales effectiveness without giving at least 90  
 226.14 days' notice of the proposed reduction. The change may not take effect if the dealer  
 226.15 commences a civil action to determine whether there is good cause for the change within  
 226.16 the 90 days' notice period. The burden of proof in such an action shall be on the manufacturer  
 226.17 or distributor; ~~or~~

226.18 (q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse  
 226.19 action against a dealer when a new vehicle sold by the dealer has been exported to a foreign  
 226.20 country, unless the manufacturer, distributor, or factory branch can show that at the time  
 226.21 of sale, the customer's information was listed on a known or suspected exporter list made  
 226.22 available to the dealer, or the dealer knew or reasonably should have known of the purchaser's  
 226.23 intention to export or resell the motor vehicle in violation of the manufacturer's export  
 226.24 policy. There is a rebuttable presumption that the dealer did not know or should not have  
 226.25 reasonably known that the vehicle would be exported or resold in violation of the  
 226.26 manufacturer's export policy if the vehicle is titled and registered in any state of the United  
 226.27 States; or

226.28 (r) to implement a charge back or withhold payment to a dealer that is solely due to an  
 226.29 unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the  
 226.30 transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice  
 226.31 of the state's delay in writing. Within 30 days of any notice of a charge back, withholding  
 226.32 of payments, or denial of a claim, the dealer must transmit to the manufacturer (1)  
 226.33 documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written

227.1 attestation signed by the dealer operator or general manager stating that the delay is  
227.2 attributable to the state. This clause expires on June 30, 2021.

227.3 Sec. 4. Minnesota Statutes 2016, section 161.088, subdivision 2, is amended to read:

227.4 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner  
227.5 shall establish a corridors of commerce program for trunk highway construction,  
227.6 reconstruction, and improvement, including maintenance operations, that improves commerce  
227.7 in the state.

227.8 (b) The commissioner may expend funds under the program from appropriations to the  
227.9 commissioner that are:

227.10 (1) made specifically by law for use under this section;

227.11 (2) at the discretion of the commissioner, made for the budget activities in the state roads  
227.12 program of operations and maintenance, program planning and delivery, or state road  
227.13 construction; and

227.14 (3) made for the corridor investment management strategy program, unless specified  
227.15 otherwise.

227.16 (c) The commissioner shall include in the program the cost participation policy for local  
227.17 units of government.

227.18 (d) Program funds must be allocated so that no less than 49 percent are for projects  
227.19 within the metropolitan area, as defined in section 473.121, subdivision 2, and no less than  
227.20 49 percent are for projects outside the metropolitan area, as defined in section 473.121,  
227.21 subdivision 2. Up to two percent of program funds may be allocated without regard to the  
227.22 project's geographic location.

227.23 Sec. 5. Minnesota Statutes 2017 Supplement, section 161.088, subdivision 5, is amended  
227.24 to read:

227.25 Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a  
227.26 process to identify, evaluate, and select projects under the program. The process must be  
227.27 consistent with the requirements of this subdivision and must not include any additional  
227.28 evaluation criteria.

227.29 (b) As part of the project selection process, the commissioner must annually accept  
227.30 recommendations on candidate projects from area transportation partnerships and other  
227.31 interested stakeholders in each Department of Transportation district. The commissioner

228.1 must determine the eligibility for each candidate project identified under this paragraph.

228.2 For each eligible project, the commissioner must classify and evaluate the project for the  
228.3 program, using all of the criteria established under paragraph (c).

228.4 (c) Projects must be evaluated using all of the following criteria:

228.5 (1) a return on investment measure that provides for comparison across eligible projects;

228.6 (2) measurable impacts on commerce and economic competitiveness;

228.7 (3) efficiency in the movement of freight, including but not limited to:

228.8 (i) measures of annual average daily traffic and commercial vehicle miles traveled, which  
228.9 may include data near the project location on that trunk highway or on connecting trunk  
228.10 and local highways; and

228.11 (ii) measures of congestion or travel time reliability, which may be within or near the  
228.12 project limits, or both;

228.13 (4) improvements to traffic safety;

228.14 (5) connections to regional trade centers, local highway systems, and other transportation  
228.15 modes;

228.16 (6) the extent to which the project addresses multiple transportation system policy  
228.17 objectives and principles;

228.18 (7) support and consensus for the project among members of the surrounding community;  
228.19 and

228.20 (8) regional balance throughout the state, subject to the funding allocation in subdivision  
228.21 2, paragraph (d).

228.22 (d) The list of all projects evaluated must be made public and must include the score of  
228.23 each project.

228.24 (e) As part of the project selection process, the commissioner may divide funding to be  
228.25 separately available among projects within each classification under subdivision 3, and may  
228.26 apply separate or modified criteria among those projects falling within each classification.

228.27 Sec. 6. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

228.28 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~  
228.29 ~~of Ashby 3 at or near Erdahl~~, thence extending in a general northerly or northeasterly  
228.30 direction to a point on ~~Route No. 153 as herein established at or near Ashby~~, thence extending

229.1 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near  
229.2 Ottertail.

229.3 Sec. 7. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
229.4 read:

229.5 Subd. 87. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.  
229.6 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews  
229.7 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable  
229.8 design to mark this highway and erect appropriate signs.

229.9 Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
229.10 read:

229.11 Subd. 88. **Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk  
229.12 Highway 210 within Cass County is designated as "Trooper Ray Krueger Memorial  
229.13 Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to  
229.14 mark this highway and erect appropriate signs in the vicinity of the location where Trooper  
229.15 Krueger died.

229.16 Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
229.17 read:

229.18 Subd. 89. **Trooper Dale G. Roehrich Memorial Highway.** That segment of marked  
229.19 U.S. Highway 61 from Lake City to Wabasha is designated as "Trooper Dale G. Roehrich  
229.20 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable  
229.21 design to mark this highway and erect appropriate signs.

229.22 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
229.23 read:

229.24 Subd. 90. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked  
229.25 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within  
229.26 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."  
229.27 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the  
229.28 bridge and erect appropriate signs.

229.29 **EFFECTIVE DATE.** This section is effective June 1, 2018.

230.1 Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
230.2 read:

230.3 Subd. 91. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over  
230.4 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce  
230.5 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark  
230.6 this bridge and erect appropriate signs.

230.7 Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

230.8 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or  
230.9 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into  
230.10 a contract for the work by direct negotiation, by obtaining two or more quotations for the  
230.11 work, and without advertising for bids or otherwise complying with the requirements of  
230.12 competitive bidding if the total contractual obligation of the state for the directly negotiated  
230.13 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations  
230.14 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

230.15 Sec. 13. [161.369] INDIAN EMPLOYMENT PREFERENCE.

230.16 As authorized by United States Code, title 23, section 140(d), the commissioner of  
230.17 transportation may implement an Indian employment preference for members of federally  
230.18 recognized tribes on projects carried out under United States Code, title 23, on or near an  
230.19 Indian reservation. For purposes of this section, a project is on or near a reservation if: (1)  
230.20 the project is within the distance a person seeking employment could reasonably be expected  
230.21 to commute to and from each work day; or (2) the commissioner, in consultation with  
230.22 federally recognized Minnesota tribes, determines a project is near an Indian reservation.

230.23 Sec. 14. Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a, is amended  
230.24 to read:

230.25 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
230.26 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10  
230.27 plus an additional tax equal to 1.25 percent of the base value.

230.28 (b) Subject to the classification provisions herein, "base value" means the manufacturer's  
230.29 suggested retail price of the vehicle including destination charge using list price information  
230.30 published by the manufacturer or determined by the registrar if no suggested retail price  
230.31 exists, and shall not include the cost of each accessory or item of optional equipment  
230.32 separately added to the vehicle and the suggested retail price. In the case of the first

231.1 registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to  
 231.2 individually determine the base value of the vehicle using suggested retail price information  
 231.3 provided by the manufacturer. The registrar must use the base value determined by the  
 231.4 dealer to properly classify the vehicle. A dealer that elects to make the determination must  
 231.5 retain a copy of the suggested retail price label or other supporting documentation with the  
 231.6 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

231.7 (c) If the manufacturer's list price information contains a single vehicle identification  
 231.8 number followed by various descriptions and suggested retail prices, the registrar shall  
 231.9 select from those listings only the lowest price for determining base value.

231.10 (d) If unable to determine the base value because the vehicle is specially constructed,  
 231.11 or for any other reason, the registrar may establish such value upon the cost price to the  
 231.12 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales  
 231.13 or use tax or any local sales or other local tax.

231.14 (e) The registrar shall classify every vehicle in its proper base value class as follows:

231.15	FROM	TO
231.16	\$ 0	\$ 199.99
231.17	\$ 200	\$ 399.99

231.18 and thereafter a series of classes successively set in brackets having a spread of \$200  
 231.19 consisting of such number of classes as will permit classification of all vehicles.

231.20 (f) The base value for purposes of this section shall be the middle point between the  
 231.21 extremes of its class.

231.22 (g) The registrar shall establish the base value, when new, of every passenger automobile  
 231.23 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,  
 231.24 using list price information published by the manufacturer or any nationally recognized  
 231.25 firm or association compiling such data for the automotive industry. If unable to ascertain  
 231.26 the base value of any registered vehicle in the foregoing manner, the registrar may use any  
 231.27 other available source or method. The registrar shall calculate tax using base value  
 231.28 information available to dealers and deputy registrars at the time the application for  
 231.29 registration is submitted. The tax on all previously registered vehicles shall be computed  
 231.30 upon the base value thus determined taking into account the depreciation provisions of  
 231.31 paragraph (h).

231.32 (h) The annual additional tax must be computed upon a percentage of the base value as  
 231.33 follows: during the first year of vehicle life, upon 100 percent of the base value; for the  
 231.34 second year, 90 percent of such value; for the third year, 80 percent of such value; for the

232.1 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the  
 232.2 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the  
 232.3 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the  
 232.4 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

232.5 (i) In no event shall the annual additional tax be less than \$25.

232.6 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,  
 232.7 the total amount due under this subdivision and subdivision 1m must not exceed the smallest  
 232.8 total amount previously paid or due on the vehicle.

232.9 Sec. 15. Minnesota Statutes 2016, section 168.013, subdivision 6, is amended to read:

232.10 Subd. 6. **Listing by dealers.** The owner of every motor vehicle not exempted by section  
 232.11 168.012 or 168.28, ~~shall~~ must, so long as it is subject to taxation within the state, annually  
 232.12 list and register the same and pay the tax ~~herein provided annually under this section;~~  
 232.13 provided, however, that any dealer in motor vehicles, to whom dealer's plates have been  
 232.14 issued as provided in this chapter, coming into the possession of ~~any such~~ a motor vehicle  
 232.15 to be held solely for the purpose of sale or demonstration or both, ~~shall be~~ is entitled to  
 232.16 withhold the tax due on the vehicle from the prior registration period or becoming due on  
 232.17 ~~such vehicle~~ for the following year and no lien for registration tax as provided in section  
 232.18 168.31, subdivision 6, shall attach. When, thereafter, ~~such the~~ the vehicle is otherwise used or  
 232.19 is sold, leased, or rented to another person, firm, corporation, or association, the tax for the  
 232.20 remainder of the year, prorated on a monthly basis, ~~shall become~~ becomes payable  
 232.21 immediately.

232.22 Sec. 16. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

232.23 Subd. 2a. **Failure to send to registrar submit within ten days.** Any person who fails  
 232.24 to mail in the application for registration or transfer with appropriate taxes and fees to the  
 232.25 commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~  
 232.26 forms and remittance ~~to the registrar,~~ within ten days following date of sale ~~shall be~~ is guilty  
 232.27 of a misdemeanor.

232.28 Sec. 17. Minnesota Statutes 2016, section 168.127, subdivision 4, is amended to read:

232.29 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and  
 232.30 renewals must be filed with the registrar or ~~authorized~~ a deputy registrar.

233.1 Sec. 18. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

233.2 Subd. 6. ~~Fee. Instead of the filing fee described in section 168.33, subdivision 7, For~~  
233.3 each vehicle in the fleet, the applicant for fleet registration shall pay:

233.4 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy  
233.5 registrar; or

233.6 (2) an equivalent administrative fee to the for transactions processed by the commissioner  
233.7 for each vehicle in the fleet, which is imposed instead of the filing fee in section 168.33,  
233.8 subdivision 7.

233.9 Sec. 19. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
233.10 read:

233.11 Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used  
233.12 vehicle dealer license, new and used vehicles owned by the entity may be held and offered  
233.13 for sale at any of the licensed dealership locations without assigning vehicle ownership or  
233.14 title from one licensee to another. This subdivision does not authorize the sale or offering  
233.15 for sale of new vehicles by a licensee that is not authorized by the manufacturer to sell that  
233.16 make of new vehicles.

233.17 Sec. 20. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
233.18 read:

233.19 Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate  
233.20 by name and provide contact information for one or more registrar employees as needed to  
233.21 (1) promptly and effectively respond to questions from licensed dealers, and (2) troubleshoot  
233.22 dealer issues related to vehicle titling and registration.

233.23 Sec. 21. Minnesota Statutes 2016, section 168.301, subdivision 3, is amended to read:

233.24 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon  
233.25 the transfer of title for a motor vehicle, the commissioner of public safety shall impose a  
233.26 \$2 additional fee for failure to deliver a title transfer within ten business days. This  
233.27 subdivision does not apply to transfers from licensed vehicle dealers.

233.28 Sec. 22. Minnesota Statutes 2016, section 168.326, is amended to read:

233.29 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

234.1 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to  
234.2 other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate,  
234.3 a driver's license agent or deputy registrar, shall expedite the processing of an application  
234.4 for a driver's license, driving instruction permit, Minnesota identification card, or vehicle  
234.5 title transaction.

234.6 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service  
234.7 fee for each expedited service request processed by the licensing agent or deputy registrar.

234.8 (c) When expedited service is requested, materials must be mailed or delivered to the  
234.9 requester within three days of receipt of the expedited service fee excluding Saturdays,  
234.10 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply  
234.11 with all relevant requirements of the requested document.

234.12 (d) The commissioner may decline to accept an expedited service request if it is apparent  
234.13 at the time it is made that the request cannot be granted. The commissioner must not decline  
234.14 an expedited service request and must not prevent a driver's license agent or deputy from  
234.15 accepting an expedited service request solely on the basis of limitations of the driver and  
234.16 vehicle services information technology system.

234.17 (e) The expedited service fees collected under this section for an application for a driver's  
234.18 license, driving instruction permit, or Minnesota identification card minus any portion  
234.19 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the  
234.20 driver services operating account in the special revenue fund specified under section  
234.21 299A.705.

234.22 (f) The expedited service fees collected under this section for a transaction for a vehicle  
234.23 service minus any portion retained by a licensing agent or deputy registrar under paragraph  
234.24 (b) must be paid into the vehicle services operating account in the special revenue fund  
234.25 specified under section 299A.705.

234.26 **EFFECTIVE DATE.** This section is effective November 1, 2018.

234.27 Sec. 23. Minnesota Statutes 2016, section 168.33, subdivision 8a, is amended to read:

234.28 Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic  
234.29 transmission of a motor vehicle transfer and registration by a new or used motor vehicle  
234.30 dealer, a deputy registrar who is equipped with electronic transmission technology and  
234.31 trained in its use shall receive the filing fee provided for in subdivision 7 and review the  
234.32 transfer of each new or used motor vehicle to determine its genuineness and regularity

235.1 before issuance of a certificate of title, and shall receive and retain the filing fee under  
235.2 subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

235.3 (b) The commissioner must establish reasonable performance, security, technical, and  
235.4 financial standards to approve and allow companies that provide computer software and  
235.5 services to motor vehicle dealers to electronically transmit vehicle title transfer and  
235.6 registration information. An approved company must be offered access to department  
235.7 facilities, staff, and technology on a fair and reasonable basis.

235.8 Sec. 24. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to  
235.9 read:

235.10 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle  
235.11 applications and submissions under this chapter and chapter 168A by mail and may process  
235.12 the transactions including retention of the appropriate filing fee under subdivision 7.

235.13 Sec. 25. Minnesota Statutes 2016, section 168.346, subdivision 1, is amended to read:

235.14 Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual  
235.15 provided to register a vehicle shall be treated as provided by United States Code, title 18,  
235.16 section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted  
235.17 by that section. The commissioner is prohibited from restricting the uses for which a licensed  
235.18 dealer may obtain data as permitted by United States Code, title 18, section 2721, subsections  
235.19 (b)(2), (3), (7), and (13). The commissioner shall disclose the data in bulk form to an  
235.20 authorized recipient upon request for any of the permissible uses described in United States  
235.21 Code, title 18, section 2721.

235.22 (b) The registered owner of a vehicle who is an individual may consent in writing to the  
235.23 commissioner to disclose the individual's personal information exempted by United States  
235.24 Code, title 18, section 2721, to any person who makes a written request for the personal  
235.25 information. If the registered owner is an individual and so authorizes disclosure, the  
235.26 commissioner shall implement the request.

235.27 (c) If authorized by the registered owner as indicated in paragraph (b), the registered  
235.28 owner's personal information may be used, rented, or sold solely for bulk distribution by  
235.29 organizations for business purposes including surveys, marketing, or solicitation.

236.1 Sec. 26. Minnesota Statutes 2016, section 168A.05, is amended by adding a subdivision  
236.2 to read:

236.3 Subd. 1d. **Issuance of certificate by deputy registrar.** (a) If an application for a vehicle's  
236.4 certificate of title is received by a deputy registrar and the deputy registrar is satisfied as to  
236.5 its genuineness and regularity and that the applicant is entitled to the issuance of a certificate  
236.6 of title, the deputy registrar may issue a certificate of title for the vehicle.

236.7 (b) On or before August 1, 2019, the commissioner must authorize a deputy registrar to  
236.8 issue a certificate of title, subject to procedures established by the commissioner.

236.9 Sec. 27. Minnesota Statutes 2016, section 168A.12, subdivision 2, is amended to read:

236.10 Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest  
236.11 of the owner is terminated or the vehicle is sold under a security agreement by a secured  
236.12 party named in the certificate of title or an assignee of the secured party, the transferee shall  
236.13 promptly mail or deliver to the department the last certificate of title, if available, an  
236.14 application for a new certificate in the format the department prescribes, and an affidavit  
236.15 made by or on behalf of the secured party or assignee that the interest of the owner was  
236.16 lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If  
236.17 the secured party or assignee succeeds to the interest of the owner and holds the vehicle for  
236.18 resale, the secured party or assignee need not secure a new certificate of title; provided that  
236.19 a notice thereof in a format designated by the department is mailed or delivered by the  
236.20 secured party or assignee to the department in duplicate within 48 hours, but upon transfer  
236.21 to another person the secured party or assignee shall promptly execute assignment and  
236.22 warranty of title and mail or deliver to the transferee or the department the certificate, if  
236.23 available, the affidavit, and other documents required to be sent to the department by the  
236.24 transferee.

236.25 Sec. 28. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

236.26 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in  
236.27 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of  
236.28 damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp  
236.29 the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in  
236.30 a manner prescribed by the department. Within ten days of obtaining the title of a vehicle  
236.31 through payment of damages, an insurer must notify the department in a manner prescribed  
236.32 by the department.

237.1 (b) A person shall immediately apply for a salvage certificate of title if the person acquires  
 237.2 a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

237.3 (1) is a vehicle that was acquired by an insurer through payment of damages;

237.4 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

237.5 or

237.6 (3) has an out-of-state salvage certificate of title as proof of ownership.

237.7 (c) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by  
 237.8 collision or other occurrence which exceeds 80 percent of its actual cash value shall  
 237.9 immediately apply for a salvage certificate of title.

237.10 Sec. 29. Minnesota Statutes 2016, section 168A.17, is amended by adding a subdivision  
 237.11 to read:

237.12 Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by  
 237.13 a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may  
 237.14 provide a statement of perfection to the secured party on a form provided by the department.  
 237.15 The statement must certify compliance with subdivision 2 and contain the date of delivery  
 237.16 to the department. The information provided in the dealer's statement is considered prima  
 237.17 facie evidence of the facts contained in it.

237.18 Sec. 30. [168A.241] MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION  
 237.19 ADVISORY COMMITTEE.

237.20 Subdivision 1. **Members.** (a) The Motor Vehicle Title and Registration Advisory  
 237.21 Committee consists of the following 13 members:

237.22 (1) two members of the house of representatives, one appointed by the speaker of the  
 237.23 house and one appointed by the minority leader;

237.24 (2) two members of the senate, one appointed by the majority leader and one appointed  
 237.25 by the minority leader;

237.26 (3) one representative from the Minnesota Deputy Registrar's Association;

237.27 (4) one representative from the Minnesota Automobile Dealers Association;

237.28 (5) one representative from the Northland Independent Automobile Dealers Association;

237.29 (6) one staff member from the Department of Public Safety Driver and Vehicle Services  
 237.30 Division;

238.1 (7) two representatives from deputy registrars, appointed by the commissioner;

238.2 (8) two representatives from dealers licensed under section 168.27, appointed by the  
238.3 commissioner; and

238.4 (9) one representative who performs auctions exclusively for dealers licensed under  
238.5 section 168.27 and not for the general public, appointed by the commissioner following  
238.6 consultation with eligible auto auction businesses.

238.7 (b) Section 15.059 governs the Motor Vehicle Title and Registration Advisory Committee.

238.8 (c) Members of the advisory committee must be compensated and reimbursed for  
238.9 expenses as provided in section 15.059, subdivision 3.

238.10 Subd. 2. **Organization.** (a) The members of the advisory committee must annually elect  
238.11 a chair and other officers as the members deem necessary.

238.12 (b) The advisory committee must meet at least two times per year.

238.13 Subd. 3. **Open meetings.** The advisory committee is subject to chapter 13D. An advisory  
238.14 committee meeting occurs when a quorum is present and the members receive information,  
238.15 discuss, or take action on any matter relating to the advisory committee's duties . The advisory  
238.16 committee may conduct meetings as provided in section 13D.015 or 13D.02. The advisory  
238.17 committee may conduct meetings at any location in the state that is appropriate for the  
238.18 purposes of the advisory committee, provided the location is open and accessible to the  
238.19 public. For legislative members of the advisory committee, enforcement of this subdivision  
238.20 is governed by section 3.055, subdivision 2. For nonlegislative members of the advisory  
238.21 committee, enforcement of this subdivision is governed by section 13D.06, subdivisions 1  
238.22 and 2.

238.23 Subd. 4. **Staff.** The commissioner must provide support staff, office space, and  
238.24 administrative services to the advisory committee.

238.25 Subd. 5. **Duties.** The advisory committee's duties include but are not limited to:

238.26 (1) serving in an advisory capacity to the commissioner of public safety and the director  
238.27 of driver and vehicle services on matters relevant to:

238.28 (i) effective and efficient systems relating to the ownership, transfer, and registration of  
238.29 motor vehicles; and

238.30 (ii) planning and implementing future changes and enhancements to vehicle registration  
238.31 systems; and

239.1 (2) reviewing and making recommendations with respect to work plans, policy initiatives,  
 239.2 major activities, and strategic planning.

239.3 Subd. 6. Report and recommendations. Beginning February 15, 2019, and annually  
 239.4 thereafter, the commissioner must prepare and submit to the chairs and ranking minority  
 239.5 members of the committees of the house of representatives and the senate with jurisdiction  
 239.6 over motor vehicle title and registration a report that summarizes the advisory committee's  
 239.7 activities, issues identified by the advisory committee, methods taken to address the issues,  
 239.8 and recommendations for legislative action, if needed.

239.9 Subd. 7. Expiration. The advisory committee expires June 30, 2021.

239.10 Sec. 31. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

239.11 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

239.12 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~  
 239.13 ~~sum of:~~

239.14 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~  
 239.15 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~  
 239.16 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~  
 239.17 ~~and vehicle services technology account; and~~

239.18 ~~(ii) on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle~~  
 239.19 ~~services operating account under section 299A.705;~~

239.20 (2) for each security interest when first noted upon a certificate of title, including the  
 239.21 concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the~~  
 239.22 ~~sum of \$2~~, except that no fee is due for a security interest filed by a public authority under  
 239.23 section 168A.05, subdivision 8;

239.24 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance~~  
 239.25 ~~of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle~~  
 239.26 ~~services operating account of the special revenue fund under section 299A.705, and from~~  
 239.27 ~~July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to~~  
 239.28 ~~the driver and vehicle services technology account;~~

239.29 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,  
 239.30 unless noted concurrently with the security interest, ~~the sum of \$1~~; and

239.31 ~~(5)~~ (4) for issuing a duplicate certificate of title, ~~the sum of \$7.25~~, of which \$3.25 must  
 239.32 be paid into the vehicle services operating account of the special revenue fund under section

240.1 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~  
240.2 ~~and credited to the driver and vehicle services technology account.~~

240.3 (b) In addition to the fee required under paragraph (a), clause (1), the department must  
240.4 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited  
240.5 in the special revenue fund and credited to the public safety motor vehicle account established  
240.6 in section 299A.70.

240.7 Sec. 32. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

240.8 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,  
240.9 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train  
240.10 includes on-track equipment or other rolling stock operated upon rails, whether self-propelled  
240.11 or coupled to another device, if the on-track equipment or rolling stock actuates grade  
240.12 crossing signals when signals are present.

240.13 Sec. 33. Minnesota Statutes 2016, section 169.14, subdivision 5, is amended to read:

240.14 Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing  
240.15 speed limit upon any street or highway, or part thereof, within their respective jurisdictions  
240.16 and not a part of the trunk highway system is greater or less than is reasonable or safe under  
240.17 existing conditions, they may request the commissioner to authorize, upon the basis of an  
240.18 engineering and traffic investigation, the erection of appropriate signs designating what  
240.19 speed is reasonable and safe, and the commissioner may authorize the erection of appropriate  
240.20 signs designating a reasonable and safe speed limit thereat, which speed limit shall be  
240.21 effective when such signs are erected. Any speeds in excess of these speed limits shall be  
240.22 prima facie evidence that the speed is not reasonable or prudent and that it is unlawful;  
240.23 except that any speed limit within any municipality shall be a maximum limit and any speed  
240.24 in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall  
240.25 be made only upon authority of the commissioner except as provided in subdivision 5a.

240.26 (b) At the request of a county board, the commissioner may establish a speed limit in  
240.27 excess of 55 miles per hour on a county road or county engineer state-aid highway upon  
240.28 the basis of an engineering and traffic investigation. The county engineer must erect  
240.29 appropriate signs and the increased speed limit is effective when the signs are erected.

240.30 (c) Notwithstanding paragraphs (a) and (b), a county board may by resolution increase  
240.31 or decrease the speed limit of any street or highway within the county's jurisdiction by five  
240.32 or ten miles per hour. The county engineer must erect appropriate signs to display the new  
240.33 speed limit.

241.1 **EFFECTIVE DATE.** This section is effective June 1, 2018.

241.2 Sec. 34. Minnesota Statutes 2017 Supplement, section 169.18, subdivision 7, is amended  
241.3 to read:

241.4 Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly  
241.5 marked lanes for traffic, the following rules, in addition to all others consistent ~~herewith~~  
241.6 with this subdivision, shall apply:

241.7 ~~(a)~~ (1) A vehicle shall be driven as nearly as practicable entirely within a single lane  
241.8 and shall not be moved from ~~such~~ the lane until the driver has first ascertained that ~~such~~ the  
241.9 movement can be made with safety.;

241.10 ~~(b)~~ (2) Upon a roadway which is not a one-way roadway and which is divided into three  
241.11 lanes, a vehicle shall not be driven in the center lane except when overtaking and passing  
241.12 another vehicle where the roadway is clearly visible and ~~such~~ the center lane is clear of  
241.13 traffic within a safe distance, or in preparation for a left turn or where ~~such~~ the center lane  
241.14 is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding,  
241.15 and is signposted to give notice of ~~such~~ the allocation. The left lane of a three-lane roadway  
241.16 which is not a one-way roadway shall not be used for overtaking and passing another vehicle.;

241.17 ~~(c)~~ (3) Official signs may be erected directing slow-moving traffic to use a designated  
241.18 lane or allocating specified lanes to traffic moving in the same direction, and drivers of  
241.19 vehicles shall obey the ~~directions of every such~~ sign.;

241.20 ~~(d)~~ (4) Whenever a bicycle lane has been established on a roadway, any person operating  
241.21 a motor vehicle on ~~such~~ the roadway shall not drive in the bicycle lane except to perform  
241.22 parking maneuvers in order to park where parking is permitted, to enter or leave the highway,  
241.23 to prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus  
241.24 for the purpose of receiving or discharging any person provided the school bus is equipped  
241.25 and identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing  
241.26 red signals are activated and stop-signal arm is extended; and

241.27 (5) notwithstanding clause (1), the operator of a vehicle or combination of vehicles with  
241.28 a total length in excess of 40 feet or a total width exceeding ten feet may, with due regard  
241.29 for all other traffic, deviate from the lane in which the operator is driving to the extent  
241.30 necessary to approach and drive through a roundabout.

242.1 Sec. 35. Minnesota Statutes 2016, section 169.18, subdivision 10, is amended to read:

242.2 Subd. 10. **Slow-moving vehicle.** ~~Upon all roadways any~~ (a) A person operating a vehicle  
 242.3 ~~proceeding~~ at less than the normal speed of traffic at the time and place and under the  
 242.4 existing conditions then existing shall be driven must drive in the right-hand lane ~~then~~  
 242.5 ~~available for traffic~~, or as close as practicable to the right-hand curb or edge of the roadway;  
 242.6 ~~except when.~~ A person who violates this paragraph must pay a fine of not less than \$100.

242.7 (b) Paragraph (a) does not apply if:

242.8 (1) the vehicle is overtaking and passing another vehicle proceeding in the same direction;  
 242.9 ~~or when;~~

242.10 (2) the vehicle is preparing for a left to turn left at an intersection or into a private road  
 242.11 ~~or driveway, or when;~~

242.12 (3) a specific lane is designated and posted for a specific type of traffic; or

242.13 (4) the vehicle is preparing to exit a controlled access highway by using an exit on the  
 242.14 left side of the road.

242.15 Sec. 36. Minnesota Statutes 2016, section 169.18, subdivision 11, is amended to read:

242.16 Subd. 11. **Passing parked emergency vehicle; citation; probable cause.** (a) When  
 242.17 approaching and before passing an authorized emergency vehicle with its emergency lights  
 242.18 activated that is parked or otherwise stopped on or next to a street or highway having two  
 242.19 lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane  
 242.20 farthest away from the emergency vehicle, if it is possible to do so.

242.21 (b) When approaching and before passing an authorized emergency vehicle with its  
 242.22 emergency lights activated that is parked or otherwise stopped on or next to a street or  
 242.23 highway having more than two lanes in the same direction, the driver of a vehicle shall  
 242.24 safely move the vehicle so as to leave a full lane vacant between the driver and any lane in  
 242.25 which the emergency vehicle is completely or partially parked or otherwise stopped, if it is  
 242.26 possible to do so.

242.27 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and  
 242.28 before passing an authorized emergency vehicle with its emergency lights activated that is  
 242.29 parked or otherwise stopped on or next to a street or highway having only one lane in the  
 242.30 same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed  
 242.31 that is reasonable and prudent under the conditions until the motor vehicle has completely  
 242.32 passed the parked or stopped emergency vehicle, if it is possible to do so.

243.1 ~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace  
243.2 officer has probable cause to believe that the driver has operated the vehicle in violation of  
243.3 this subdivision within the four-hour period following the termination of the incident or a  
243.4 receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the  
243.5 violation was not committed in the presence of the peace officer.

243.6 ~~(d)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements  
243.7 or factors, probable cause is sufficient for purposes of this subdivision when the person  
243.8 cited is operating the vehicle described by a member of the crew of an authorized emergency  
243.9 vehicle responding to an incident in a timely report of the violation of this subdivision,  
243.10 which includes a description of the vehicle used to commit the offense and the vehicle's  
243.11 license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d),  
243.12 "timely" means that the report must be made within a four-hour period following the  
243.13 termination of the incident.

243.14 ~~(e)~~ (f) For purposes of paragraphs (a) ~~and (b)~~ to (c) only, ~~the terms~~ "authorized emergency  
243.15 vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011,  
243.16 subdivision 12a, that has activated flashing lights authorized under section 169.64,  
243.17 subdivision 3, in addition to the vehicles described in the definition for "authorized  
243.18 emergency vehicle" in section 169.011, subdivision 3.

243.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to offenses  
243.20 committed on or after that date.

243.21 Sec. 37. Minnesota Statutes 2016, section 169.18, subdivision 12, is amended to read:

243.22 Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing  
243.23 a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or  
243.24 construction vehicle with its warning lights activated that is parked or otherwise stopped  
243.25 on or next to a street or highway having two lanes in the same direction, the driver of a  
243.26 vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped  
243.27 vehicle, if it is possible to do so.

243.28 (b) When approaching and before passing a freeway service patrol vehicle, road  
243.29 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights  
243.30 activated that is parked or otherwise stopped on or next to a street or highway having more  
243.31 than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle  
243.32 so as to leave a full lane vacant between the driver and any lane in which the vehicle is  
243.33 completely or partially parked or otherwise stopped, if it is possible to do so.

244.1 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and  
 244.2 before passing a freeway service patrol vehicle, road maintenance vehicle, utility company  
 244.3 vehicle, or construction vehicle with its warning lights activated that is parked or otherwise  
 244.4 stopped on or next to a street or highway having only one lane in the same direction, the  
 244.5 driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable  
 244.6 and prudent under the conditions until the motor vehicle has completely passed the parked  
 244.7 or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle,  
 244.8 or construction vehicle, if it is possible to do so.

244.9 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 244.10 committed on or after that date.

244.11 Sec. 38. Minnesota Statutes 2016, section 169.20, is amended by adding a subdivision to  
 244.12 read:

244.13 Subd. 8. **Roundabouts.** If two vehicles or combinations of vehicles each having a total  
 244.14 length in excess of 40 feet or a total width in excess of ten feet approach or drive through  
 244.15 a roundabout at approximately the same time or so closely as to constitute a hazard of  
 244.16 collision, the operator of the vehicle or combination of vehicles on the right must yield the  
 244.17 right-of-way to the vehicle or combination of vehicles on the left and, if necessary, must  
 244.18 reduce speed or stop in order to so yield.

244.19 Sec. 39. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

244.20 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,  
 244.21 when any person driving a vehicle approaches a railroad grade crossing under any of the  
 244.22 circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet  
 244.23 from the nearest railroad track and shall not proceed until safe to do so and until the roadway  
 244.24 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle  
 244.25 is at least ten feet past the farthest railroad track. These requirements apply when:

244.26 (1) a clearly visible electric or mechanical signal device warns of the immediate approach  
 244.27 of a railroad train; or

244.28 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

244.29 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible  
 244.30 from the crossing is prima facie evidence that it is not safe to proceed.

244.31 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade  
 244.32 crossing when a human flagger signals the approach or passage of a railroad train or when

245.1 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.  
 245.2 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals  
 245.3 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

245.4 Sec. 40. Minnesota Statutes 2016, section 169.28, is amended to read:

245.5 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

245.6 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers  
 245.7 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus  
 245.8 whether carrying passengers or not, or of any vehicle that is required to stop at railroad  
 245.9 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing  
 245.10 at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more  
 245.11 than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look  
 245.12 in both directions along the track for any approaching railroad train, and for signals indicating  
 245.13 the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, and in this section.  
 245.14 The driver shall not proceed until safe to do so and until the roadway is clear of traffic so  
 245.15 that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet  
 245.16 past the farthest railroad track. The driver must not shift gears while crossing the railroad  
 245.17 tracks.

245.18 (b) A school bus or Head Start bus shall not be flagged across railroad grade crossings  
 245.19 except at those railroad grade crossings that the local school administrative officer may  
 245.20 designate.

245.21 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of  
 245.22 school buses to stop at railroad grade crossings.

245.23 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle  
 245.24 track or tracks that are located in a public street when:

245.25 (1) the crossing occurs within the intersection of two or more public streets;

245.26 (2) the intersection is controlled by a traffic-control signal; and

245.27 (3) the intersection is marked with signs indicating to drivers that the requirements of  
 245.28 this subdivision do not apply. Notwithstanding any other provision of law, the owner or  
 245.29 operator of the track or tracks is authorized to place, maintain, and display the signs upon  
 245.30 and in the view of the public street or streets.

245.31 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt  
 245.32 crossing:

246.1 (1) if the crossing is on a rail line on which service has been abandoned;

246.2 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling  
246.3 at speeds of ten miles per hour or less; or

246.4 (3) as agreed to by the operating railroad and the Department of Transportation, following  
246.5 a diagnostic review of the crossing.

246.6 (b) The commissioner shall direct the railroad to erect at the crossing signs bearing the  
246.7 word "Exempt" that conform to section 169.06. The installation or presence of an exempt  
246.8 sign does not relieve a driver of the duty to use due care.

246.9 (c) A railroad train must not proceed across an exempt crossing unless a police officer  
246.10 is present to direct traffic or a railroad employee is on the ground to warn traffic until the  
246.11 railroad train enters the crossing.

246.12 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required  
246.13 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad  
246.14 employee.

246.15 Sec. 41. Minnesota Statutes 2016, section 169.29, is amended to read:

246.16 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

246.17 (a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller,  
246.18 or any equipment or structure having a normal operating speed of six or less miles per hour  
246.19 or a vertical body or load clearance of less than nine inches above the level surface of a  
246.20 roadway upon or across any tracks at a railroad grade crossing without first complying with  
246.21 this section.

246.22 (b) Before making any crossing, the person operating or moving any vehicle or equipment  
246.23 set forth in this section shall first stop the same not less than ten, nor more than 50, feet  
246.24 from the nearest rail of the railway, and while so stopped shall listen and look in both  
246.25 directions along the track for any approaching railroad train and for signals indicating the  
246.26 approach of a railroad train, and shall not proceed until the crossing can be made safely.

246.27 (c) No crossing shall be made when warning is given by automatic signal or crossing  
246.28 gates or a flagger or otherwise of the immediate approach of a railroad train or car.

246.29 (d) No stop need be made at a crossing on a rail line on which service has been abandoned  
246.30 and where a sign erected in conformance with section 169.06 and bearing the word "Exempt"  
246.31 has been installed, unless directed otherwise by a flagger. The installation or presence of  
246.32 an exempt sign shall not relieve any driver of the duty to use due care.

247.1 Sec. 42. Minnesota Statutes 2016, section 169.71, subdivision 4, is amended to read:

247.2 Subd. 4. **Glazing material; prohibitions and exceptions.** (a) No person shall drive or  
247.3 operate any motor vehicle required to be registered in the state of Minnesota upon any street  
247.4 or highway under the following conditions:

247.5 (1) when the windshield is composed of, covered by, or treated with any material which  
247.6 has the effect of making the windshield more reflective or in any other way reducing light  
247.7 transmittance through the windshield;

247.8 (2) when any window on the vehicle is composed of, covered by, or treated with any  
247.9 material that has a highly reflective or mirrored appearance;

247.10 (3) when any side window or rear window is composed of or treated with any material  
247.11 so as to obstruct or substantially reduce the driver's clear view through the window or has  
247.12 a light transmittance of less than 50 percent plus or minus three percent in the visible light  
247.13 range or a luminous reflectance of more than 20 percent plus or minus three percent; or

247.14 (4) when any material has been applied after August 1, 1985, to any motor vehicle  
247.15 window without an accompanying permanent marking which indicates the percent of  
247.16 transmittance and the percent of reflectance afforded by the material. The marking must be  
247.17 in a manner so as not to obscure vision and be readable when installed on the vehicle.

247.18 (b) This subdivision does not apply to glazing materials which:

247.19 (1) have not been modified since the original installation, nor to original replacement  
247.20 windows and windshields, that were originally installed or replaced in conformance with  
247.21 Federal Motor Vehicle Safety Standard 205;

247.22 (2) are required to satisfy prescription or medical needs of the driver of the vehicle or a  
247.23 passenger if:

247.24 (i) the driver or passenger is in possession of the prescription or a physician's statement  
247.25 of medical need;

247.26 (ii) the prescription or statement specifically states the minimum percentage that light  
247.27 transmittance may be reduced to satisfy the prescription or medical needs of the patient;

247.28 and

247.29 (iii) the prescription or statement contains an expiration date, which must be no more  
247.30 than two years after the date the prescription or statement was issued; or

247.31 (3) are applied to:

247.32 (i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

248.1 (ii) the rear windows or the side windows on either side behind the driver's seat of a van  
248.2 as defined in section 168.002, subdivision 40;

248.3 (iii) the side and rear windows of a vehicle used to transport human remains by a funeral  
248.4 establishment holding a license under section 149A.50;

248.5 (iv) the side and rear windows of a limousine as defined in section 168.002, subdivision  
248.6 15, that is registered in compliance with the requirements of section 168.128; or

248.7 (v) the rear and side windows of a police vehicle.

248.8 Sec. 43. Minnesota Statutes 2016, section 169.81, subdivision 5, is amended to read:

248.9 Subd. 5. **Manner of loading.** ~~No (a) A vehicle shall~~ must not be driven or moved on  
248.10 any highway unless such the vehicle is so constructed, loaded, or the load securely covered  
248.11 as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping  
248.12 therefrom, except that.

248.13 (b) Notwithstanding paragraph (a), a vehicle or combination of vehicles may:

248.14 (1) drop sand may be dropped for the purpose of securing to secure traction, or;

248.15 (2) sprinkle water or other substances may be sprinkled on a roadway in cleaning or  
248.16 maintaining such to clean or maintain the roadway; or

248.17 (3) leak liquid if transporting sugar beets.

248.18 (c) This subdivision shall does not apply to motor vehicles operated by a farmer or the  
248.19 farmer's agent when transporting produce such as small grains, shelled corn, soybeans, or  
248.20 other farm produce of a size and density not likely to cause injury to persons or damage to  
248.21 property on escaping in small amounts from a vehicle.

248.22 (d) A violation of this subdivision by a vehicle that is carrying farm produce and that is  
248.23 not exempted by the preceding sentence under paragraph (c) is a petty misdemeanor.

248.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

248.25 Sec. 44. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to  
248.26 read:

248.27 **Subd. 11. Automobile transporter.** (a) For purposes of this subdivision, the following  
248.28 terms have the meanings given them:

248.29 (1) "automobile transporter" means any vehicle combination designed and used to  
248.30 transport assembled highway vehicles, including truck camper units;

249.1 (2) "stinger-steered automobile transporter" means a truck tractor semitrailer having the  
249.2 fifth wheel located on a drop frame located behind and below the rear-most axle of the  
249.3 power unit; and

249.4 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,  
249.5 especially when carrying goods back over all or part of the same route.

249.6 (b) Stinger-steered combination automobile transporters having a length of 80 feet or  
249.7 less may be operated on interstate highways and other highways designated in this section,  
249.8 and may carry a load that extends four feet or less in the front of the vehicle and six feet or  
249.9 less in the rear of the vehicle.

249.10 (c) An automobile transporter may transport cargo or general freight on a backhaul,  
249.11 provided it complies with weight limitations for a truck tractor and semitrailer combination  
249.12 under section 169.824.

249.13 Sec. 45. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

249.14 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision  
249.15 1 must:

249.16 (1) comply with seasonal load restrictions in effect between the dates set by the  
249.17 commissioner under section 169.87, subdivision 2;

249.18 (2) comply with bridge load limits posted under section 169.84;

249.19 (3) be equipped and operated with six or more axles and brakes on all wheels;

249.20 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle  
249.21 weight during the time when seasonal increases are authorized under section 169.826;

249.22 (5) not be operated on interstate highways;

249.23 (6) obtain an annual permit from the commissioner of transportation;

249.24 (7) obey all road postings; and

249.25 (8) not exceed 20,000 pounds gross weight on any single axle.

249.26 (b) A vehicle operated under this section may exceed the legal axle weight limits listed  
249.27 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be  
249.28 exceeded by not more than 23.75 percent during the time when seasonal increases are  
249.29 authorized under section 169.826, subdivision 1.

250.1 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles  
250.2 hauling raw or unfinished forest products may also operate on the segment of Interstate  
250.3 Route 35 provided under United States Code, title 23, section 127.

250.4 Sec. 46. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended  
250.5 to read:

250.6 Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88  
250.7 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special  
250.8 response vehicle, or a licensed land emergency ambulance service vehicle.

250.9 (b) Emergency vehicles designed to transport personnel and equipment to support the  
250.10 suppression of fires and to mitigate other hazardous situations are subject to the following  
250.11 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single  
250.12 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear  
250.13 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency  
250.14 vehicle operating on an interstate highway must not exceed 86,000 pounds.

250.15 Sec. 47. Minnesota Statutes 2016, section 169.92, subdivision 4, is amended to read:

250.16 Subd. 4. **Suspension of driver's license.** (a) Upon receiving a report from the court, or  
250.17 from the driver licensing authority of a state, district, territory, or possession of the United  
250.18 States or a province of a foreign country which has an agreement in effect with this state  
250.19 pursuant to section 169.91, that a resident of this state or a person licensed as a driver in  
250.20 this state did not appear in court in compliance with the terms of a citation, the commissioner  
250.21 of public safety shall notify the driver that the driver's license will be suspended unless the  
250.22 commissioner receives notice within 30 days that the driver has appeared in the appropriate  
250.23 court ~~or, if the offense is a petty misdemeanor for which a guilty plea was entered under~~  
250.24 ~~section 609.491, that the person has paid any fine imposed by the court.~~ If the commissioner  
250.25 does not receive notice of the appearance in the appropriate court ~~or payment of the fine~~  
250.26 within 30 days of the date of the commissioner's notice to the driver, the commissioner may  
250.27 suspend the driver's license, subject to the notice requirements of section 171.18, subdivision  
250.28 2. Notwithstanding the requirements in this section, the commissioner is prohibited from  
250.29 suspending the driver's license of a person based solely on the fact that the person did not  
250.30 appear in court in compliance with the terms of a citation for a petty misdemeanor or for a  
250.31 violation of section 171.24, subdivision 1.

251.1 (b) The order of suspension shall indicate the reason for the order and shall notify the  
251.2 driver that the driver's license shall remain suspended until the driver has furnished evidence,  
251.3 satisfactory to the commissioner, of compliance with any order entered by the court.

251.4 (c) Suspension shall be ordered under this subdivision only when the report clearly  
251.5 identifies the person arrested; describes the violation, specifying the section of the traffic  
251.6 law, ordinance or rule violated; indicates the location and date of the offense; and describes  
251.7 the vehicle involved and its registration number.

251.8 Sec. 48. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

251.9 Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate  
251.10 a motorcycle on any street or highway without having a valid driver's license with a  
251.11 two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle  
251.12 without a two-wheeled vehicle endorsement, provided the person has a valid driver's license  
251.13 issued under section 171.02.

251.14 (b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement  
251.15 only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit  
251.16 as provided in paragraph (c), (2) has passed a written examination and road test administered  
251.17 by the Department of Public Safety for the endorsement, and (3) in the case of applicants  
251.18 under 18 years of age, presents a certificate or other evidence of having successfully  
251.19 completed an approved two-wheeled vehicle driver's safety course in this or another state,  
251.20 in accordance with rules adopted by the commissioner of public safety for courses offered  
251.21 by a public, private, or commercial school or institute. The commissioner of public safety  
251.22 may waive the road test for any applicant on determining that the applicant possesses a valid  
251.23 license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable  
251.24 road test for license issuance.

251.25 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction  
251.26 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,  
251.27 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed  
251.28 a written examination for the permit and paid a fee prescribed by the commissioner of public  
251.29 safety. A two-wheeled vehicle instruction permit is effective for one year and may be  
251.30 renewed under rules prescribed by the commissioner of public safety.

251.31 (d) No person who is operating by virtue of a two-wheeled vehicle instruction permit  
251.32 shall:

252.1 (1) carry any passengers on the streets and highways of this state on the motorcycle  
 252.2 while the person is operating the motorcycle;

252.3 (2) drive the motorcycle at night; or

252.4 ~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to~~  
 252.5 ~~title 23 of the United States Code; or~~

252.6 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with  
 252.7 standards established by the commissioner of public safety.

252.8 (e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue  
 252.9 a special motorcycle permit, restricted or qualified as the commissioner of public safety  
 252.10 deems proper, to any person demonstrating a need for the permit and unable to qualify for  
 252.11 a driver's license.

252.12 Sec. 49. Minnesota Statutes 2016, section 171.041, is amended to read:

252.13 **171.041 RESTRICTED LICENSE FOR FARM WORK.**

252.14 (a) Notwithstanding any provisions of section 171.04 relating to the age of an applicant  
 252.15 to the contrary, the commissioner may issue a restricted farm work license to operate a  
 252.16 motor vehicle to a person who has attained the age of 15 years and who, except for age, is  
 252.17 qualified to hold a driver's license. The applicant is not required to comply with the six-month  
 252.18 instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and  
 252.19 171.05, subdivision 2a, or with the 12-month provisional license possession provision of  
 252.20 section 171.04, subdivision 1, clause (1), item (i).

252.21 (b) The restricted license ~~shall~~ must be issued solely for the purpose of authorizing the  
 252.22 person to whom the restricted license is issued to assist the person's parents or guardians  
 252.23 with farm work. An individual may perform farm work under the restricted license for any  
 252.24 entity authorized to farm under section 500.24. A person holding this restricted license may  
 252.25 operate a motor vehicle only during daylight hours and only within a radius of ~~20~~ 40 miles  
 252.26 of the parent's or guardian's farmhouse; however, in no case may a person holding the  
 252.27 restricted license operate a motor vehicle in a city of the first class.

252.28 (c) An applicant for a restricted license shall apply to the commissioner for the license  
 252.29 on forms prescribed by the commissioner. The application shall be accompanied by:

252.30 (1) a copy of a property tax statement showing that the applicant's parent or guardian  
 252.31 owns land that is classified as agricultural land or a copy of a rental statement or agreement  
 252.32 showing that the applicant's parent or guardian rents land classified as agricultural land; and

253.1 (2) a written verified statement by the applicant's parent or guardian setting forth the  
 253.2 necessity for the license.

253.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

253.4 Sec. 50. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended  
 253.5 to read:

253.6 Subd. 2. Fees. (a) The fees for a license and Minnesota identification card are as follows:

253.7	REAL ID Compliant or				
253.8	Noncompliant Classified				
253.9	Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
253.10	REAL ID Compliant or				
253.11	Noncompliant Classified				
253.12	Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
253.13	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
253.14	REAL ID Compliant or				
253.15	Noncompliant Instruction				
253.16	Permit				\$5.25
253.17	Enhanced Instruction				
253.18	Permit				\$20.25
253.19	Commercial Learner's				
253.20	Permit				\$2.50
253.21	REAL ID Compliant or				
253.22	Noncompliant Provisional				
253.23	License				\$8.25
253.24	Enhanced Provisional				
253.25	License				\$23.25
253.26	Duplicate REAL ID				
253.27	Compliant or Noncompliant				
253.28	License or duplicate REAL				
253.29	ID Compliant or				
253.30	Noncompliant identification				
253.31	card				\$6.75
253.32	Enhanced Duplicate				
253.33	License or enhanced				
253.34	duplicate identification card				\$21.75
253.35	REAL ID Compliant or				
253.36	Noncompliant Minnesota				
253.37	identification card or REAL				
253.38	ID Compliant or				
253.39	Noncompliant Under-21				
253.40	Minnesota identification				
253.41	card, other than duplicate,				
253.42	except as otherwise				
253.43	provided in section 171.07,				
253.44	subdivisions 3 and 3a				\$11.25

254.1 Enhanced Minnesota  
254.2 identification card \$26.25

254.3 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~  
254.4 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~

254.5 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~  
254.6 ~~technology account in the special revenue fund under section 299A.705.~~

254.7 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
254.8 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
254.9 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related  
254.10 moving violations, and (3) convictions for moving violations that are not crash related, shall  
254.11 have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving  
254.12 violation" has the meaning given it in section 171.04, subdivision 1.

254.13 (c) In addition to the driver's license fee required under paragraph (a), the commissioner  
254.14 shall collect an additional \$4 processing fee from each new applicant or individual renewing  
254.15 a license with a school bus endorsement to cover the costs for processing an applicant's  
254.16 initial and biennial physical examination certificate. The department shall not charge these  
254.17 applicants any other fee to receive or renew the endorsement.

254.18 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge  
254.19 and retain a filing fee as provided under section 171.061, subdivision 4.

254.20 (e) In addition to the fee required under paragraph (a), the commissioner shall charge a  
254.21 filing fee at the same amount as a driver's license agent under section 171.061, subdivision  
254.22 4. Revenue collected under this paragraph must be deposited in the driver services operating  
254.23 account.

254.24 (f) An application for a Minnesota identification card, instruction permit, provisional  
254.25 license, or driver's license, including an application for renewal, must contain a provision  
254.26 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes  
254.27 of public information and education on anatomical gifts under section 171.075.

254.28 Sec. 51. Minnesota Statutes 2016, section 171.16, subdivision 2, is amended to read:

254.29 Subd. 2. **Commissioner shall suspend.** (a) The court may recommend the suspension  
254.30 of the driver's license of the person so convicted, and the commissioner shall suspend such  
254.31 license as recommended by the court, without a hearing ~~as provided herein.~~

254.32 (b) The commissioner is prohibited from suspending a person's driver's license if the  
254.33 person was convicted only under section 171.24, subdivision 1 or 2.

255.1 Sec. 52. Minnesota Statutes 2016, section 171.16, subdivision 3, is amended to read:

255.2 Subd. 3. ~~Subd. 3. **Suspension for Failure to pay fine.** When any court reports to The~~  
255.3 commissioner must not suspend a person's driver's license based solely on the fact that a  
255.4 person: (1) has been convicted of violating a law of this state or an ordinance of a political  
255.5 subdivision which regulates the operation or parking of motor vehicles, (2) has been  
255.6 sentenced to the payment of a fine or had a surcharge levied against that person, or sentenced  
255.7 to a fine upon which a surcharge was levied, and (3) has refused or failed to comply with  
255.8 that sentence or to pay the surcharge, ~~notwithstanding the fact that the court has determined~~  
255.9 ~~that the person has the ability to pay the fine or surcharge, the commissioner shall suspend~~  
255.10 ~~the driver's license of such person for 30 days for a refusal or failure to pay or until notified~~  
255.11 ~~by the court that the fine or surcharge, or both if a fine and surcharge were not paid, has~~  
255.12 ~~been paid.~~

255.13 Sec. 53. Minnesota Statutes 2016, section 171.18, subdivision 1, is amended to read:

255.14 Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver  
255.15 without preliminary hearing upon a showing by department records or other sufficient  
255.16 evidence that the licensee:

255.17 (1) has committed an offense for which mandatory revocation of license is required upon  
255.18 conviction;

255.19 (2) has been convicted by a court for violating a provision of chapter 169 or an ordinance  
255.20 regulating traffic, other than a conviction for a petty misdemeanor, and department records  
255.21 show that the violation contributed in causing an accident resulting in the death or personal  
255.22 injury of another, or serious property damage;

255.23 (3) is an habitually reckless or negligent driver of a motor vehicle;

255.24 (4) is an habitual violator of the traffic laws;

255.25 (5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

255.26 (6) has permitted an unlawful or fraudulent use of the license;

255.27 (7) has committed an offense in another state that, if committed in this state, would be  
255.28 grounds for suspension;

255.29 (8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within  
255.30 five years of a prior conviction under that section;

256.1 (9) has committed a violation of section 171.22, except that the commissioner may not  
 256.2 suspend a person's driver's license based solely on the fact that the person possessed a  
 256.3 fictitious or fraudulently altered Minnesota identification card;

256.4 (10) has failed to appear in court as provided in section 169.92, subdivision 4;

256.5 (11) has failed to report a medical condition that, if reported, would have resulted in  
 256.6 cancellation of driving privileges;

256.7 (12) has been found to have committed an offense under section 169A.33; or

256.8 (13) has paid or attempted to pay a fee required under this chapter for a license or permit  
 256.9 by means of a dishonored check issued to the state or a driver's license agent, which must  
 256.10 be continued until the registrar determines or is informed by the agent that the dishonored  
 256.11 check has been paid in full.

256.12 However, an action taken by the commissioner under clause (2) or (5) must conform to the  
 256.13 recommendation of the court when made in connection with the prosecution of the licensee.

256.14 (b) The commissioner may suspend the license of a driver when any court reports to the  
 256.15 commissioner that a driver has four unpaid parking tickets within a 12-month period or five  
 256.16 unpaid parking tickets within a 24-month period.

256.17 ~~(b)~~ (c) The commissioner ~~may not suspend~~ is prohibited from suspending the driver's  
 256.18 license of an individual under paragraph (a) who was convicted of a violation of section  
 256.19 171.24, subdivision 1, ~~whose license was under suspension at the time solely because of~~  
 256.20 ~~the individual's failure to appear in court or failure to pay a fine or 2.~~

256.21 Sec. 54. Minnesota Statutes 2016, section 174.12, subdivision 8, is amended to read:

256.22 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the  
 256.23 commissioner of transportation, with assistance from the commissioner of employment and  
 256.24 economic development, shall submit a report on the transportation economic development  
 256.25 program to the chairs and ranking minority members of the legislative committees with  
 256.26 jurisdiction over transportation policy and finance and economic development policy and  
 256.27 finance.

256.28 (b) At a minimum, the report must:

256.29 (1) summarize the requirements and implementation of the transportation economic  
 256.30 development program established in this section;

256.31 (2) review the criteria and economic impact performance measures used for evaluation,  
 256.32 prioritization, and selection of projects;

257.1 (3) provide a brief overview of each project that received financial assistance under the  
257.2 program, which must at a minimum identify:

257.3 (i) basic project characteristics, such as funding recipient, geographic location, and type  
257.4 of transportation modes served;

257.5 (ii) sources and respective amounts of project funding; and

257.6 (iii) the degree of economic benefit anticipated or observed, following the economic  
257.7 impact performance measures established under subdivision 4;

257.8 (4) identify the allocation of funds, including but not limited to a breakdown of total  
257.9 project funds by transportation mode, the amount expended for administrative costs, and  
257.10 the amount transferred to the transportation economic development assistance account;

257.11 (5) evaluate the overall economic impact of the program; and

257.12 (6) provide recommendations for any legislative changes related to the program.

257.13 (c) Notwithstanding paragraph (a), a report is not required in an odd-numbered year if  
257.14 no project received financial assistance during the preceding 24 months.

257.15 Sec. 55. Minnesota Statutes 2016, section 174.37, subdivision 6, is amended to read:

257.16 Subd. 6. **Expiration.** The committee expires June 30, ~~2018~~ 2022.

257.17 Sec. 56. Minnesota Statutes 2016, section 174.66, is amended to read:

257.18 **174.66 CONTINUATION OF CARRIER RULES.**

257.19 (a) Orders and directives in force, issued, or promulgated under authority of chapters  
257.20 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,  
257.21 modified, or superseded by duly authorized orders or directives of the commissioner of  
257.22 transportation. To the extent allowed under federal law or regulation, rules adopted under  
257.23 authority of the following sections are transferred to the commissioner of transportation  
257.24 and continue in force and effect until repealed, modified, or superseded by duly authorized  
257.25 rules of the commissioner:

257.26 (1) section 218.041 except rules related to the form and manner of filing railroad rates,  
257.27 railroad accounting rules, and safety rules;

257.28 (2) section 219.40;

257.29 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits  
257.30 under section 221.031, subdivision 1; and

258.1 (4) ~~rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~  
 258.2 ~~and~~

258.3 (5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under  
 258.4 section 221.121.

258.5 (b) The commissioner shall review the transferred rules, orders, and directives and, when  
 258.6 appropriate, develop and adopt new rules, orders, or directives.

258.7 Sec. 57. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

258.8 Subd. 2d. **Hours of service exemptions.** The federal regulations incorporated in section  
 258.9 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not  
 258.10 apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the  
 258.11 source of the commodities<sub>2</sub> or from the retail or wholesale distribution point of the farm  
 258.12 supplies<sub>2</sub> for:

258.13 (1) agricultural commodities<sub>2</sub> or

258.14 (2) farm supplies for agricultural purposes ~~from March 15 to December 15 of each year;~~  
 258.15 ~~or.~~

258.16 (2) ~~sugar beets from September 1 to May 15 of each year.~~

258.17 Sec. 58. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

258.18 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,  
 258.19 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and  
 258.20 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections  
 258.21 or paragraphs not incorporated in this subdivision are not incorporated by reference.

258.22 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the  
 258.23 planting and harvest period for Minnesota is from January 1 through December 31 of each  
 258.24 year.

258.25 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to  
 258.26 drivers of lightweight vehicles.

258.27 Sec. 59. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

258.28 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be  
 258.29 corrected and administratively assessing monetary penalties for a violation of (1) section  
 258.30 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)

259.1 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway  
 259.2 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous  
 259.3 waste, motor carrier operations, or insurance, ~~or tariffs and accounting~~. An order must be  
 259.4 issued as provided in this section.

259.5 Sec. 60. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

259.6 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order  
 259.7 assessing a penalty of up to \$5,000 for all violations identified during a single audit or  
 259.8 investigation of (1) section 221.021<sup>1/2</sup>, 221.141<sup>1/2</sup>, or 221.171, or (2) rules of the commissioner  
 259.9 relating to motor carrier operations; or insurance, ~~or tariffs and accounting~~, identified during  
 259.10 ~~a single inspection, audit, or investigation.~~

259.11 (b) The commissioner may issue an order assessing a penalty up to a maximum of  
 259.12 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single  
 259.13 inspection or audit.

259.14 (c) In determining the amount of a penalty, the commissioner shall consider:

259.15 (1) the willfulness of the violation;

259.16 (2) the gravity of the violation, including damage to humans, animals, air, water, land,  
 259.17 or other natural resources of the state;

259.18 (3) the history of past violations, including the similarity of the most recent violation  
 259.19 and the violation to be penalized, the time elapsed since the last violation, the number of  
 259.20 previous violations, and the response of the person to the most recent violation identified;

259.21 (4) the economic benefit gained by the person by allowing or committing the violation;  
 259.22 and

259.23 (5) other factors as justice may require, if the commissioner specifically identifies the  
 259.24 additional factors in the commissioner's order.

259.25 (d) The commissioner shall assess a penalty in accordance with Code of Federal  
 259.26 Regulations, title 49, section 383.53, against:

259.27 (1) a driver who is convicted of a violation of an out-of-service order;

259.28 (2) an employer who knowingly allows or requires an employee to operate a commercial  
 259.29 motor vehicle in violation of an out-of-service order; or

260.1 (3) an employer who knowingly allows or requires an employee to operate a commercial  
 260.2 motor vehicle in violation of a federal, state, or local law or regulation pertaining to  
 260.3 railroad-highway grade crossings.

260.4 Sec. 61. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

260.5 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued  
 260.6 by the commissioner which grants a certificate or permit must contain a service date.

260.7 (b) The person to whom the order granting the certificate or permit is issued shall do  
 260.8 the following within 45 days from the service date of the order:

260.9 (1) register vehicles which will be used to provide transportation under the permit or  
 260.10 certificate with the commissioner and pay the vehicle registration fees required by law; and

260.11 (2) file and maintain insurance or bond as required by section 221.141 and rules of the  
 260.12 commissioner; and.

260.13 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

260.14 Sec. 62. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

260.15 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ Tariff maintenance and  
 260.16 contents. A household goods ~~carrier~~ mover shall ~~file and maintain with the commissioner~~  
 260.17 a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared~~  
 260.18 ~~and filed in accordance with the rules of the commissioner. When tariffs are filed in~~  
 260.19 ~~accordance with the rules and accepted by the commissioner, the filing constitutes notice~~  
 260.20 ~~to the public and interested parties of the contents of the tariffs. The commissioner shall not~~  
 260.21 ~~accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly~~  
 260.22 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~  
 260.23 ~~this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly~~  
 260.24 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~  
 260.25 ~~this section, after notification and investigation by the department, the commissioner may~~  
 260.26 ~~suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon~~  
 260.27 ~~notice to the household goods carrier filing the proposed tariffs and to other interested~~  
 260.28 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~  
 260.29 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~  
 260.30 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~  
 260.31 ~~subsequent supplements to them or reissues of them must state the effective date, which~~  
 260.32 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~

261.1 ~~by special permission of the commissioner.~~ A household goods mover must prepare a tariff  
 261.2 under this section in accordance with Code of Federal Regulations, title 49, part 1310.3,  
 261.3 which is incorporated by reference.

261.4 Sec. 63. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision  
 261.5 to read:

261.6 Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must  
 261.7 maintain all of its effective tariffs at its principal place of business and at each of its terminal  
 261.8 locations, and must make the tariffs available to the public for inspection at all times the  
 261.9 household goods mover is open for business. Any publication referred to in a tariff must be  
 261.10 maintained with that tariff.

261.11 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff  
 261.12 provisions, or tariff subscriptions to the commissioner or any interested person.

261.13 Sec. 64. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

261.14 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier  
 261.15 ~~shall~~ mover must not charge or receive a greater, lesser, or different compensation for the  
 261.16 ~~transportation of persons or property or for related service; provided that the rates and~~  
 261.17 ~~charges named in the carrier's schedule on file and in effect with the commissioner including~~  
 261.18 ~~any rate fixed by the commissioner specified in the tariff under section 221.161; nor shall.~~  
 261.19 A household goods carrier mover must not refund or remit in any manner or by any device,  
 261.20 directly or indirectly, the rates and charges required to be collected by the carrier mover  
 261.21 under the carrier's mover's schedules or under the rates, if any, fixed by the commissioner.

261.22 Sec. 65. Minnesota Statutes 2016, section 299A.01, is amended by adding a subdivision  
 261.23 to read:

261.24 Subd. 8. **Highway user tax distribution fund use limitation.** The commissioner must  
 261.25 not spend any money from the highway user tax distribution fund for employees working  
 261.26 in the public information center or comparable customer service positions elsewhere in the  
 261.27 department.

261.28 Sec. 66. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

261.29 A driver and vehicle services fund is established within the state treasury. The fund  
 261.30 consists of accounts and money as specified by law, and any other money otherwise donated,  
 261.31 allotted, appropriated, or legislated to the fund.

262.1 Sec. 67. Minnesota Statutes 2016, section 299A.705, is amended to read:

262.2 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

262.3 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating  
262.4 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all  
262.5 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any  
262.6 other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

262.7 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner  
262.8 of public safety to administer the vehicle services as specified in chapters 168, 168A, and  
262.9 168D, and section 169.345, including:

262.10 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,  
262.11 and titles;

262.12 (2) collecting title and registration taxes and fees;

262.13 (3) transferring vehicle registration plates and titles;

262.14 (4) maintaining vehicle records;

262.15 (5) issuing disability certificates and plates;

262.16 (6) licensing vehicle dealers;

262.17 (7) appointing, monitoring, and auditing deputy registrars; and

262.18 (8) inspecting vehicles when required by law.

262.19 Subd. 2. **Driver services operating account.** (a) The driver services operating account  
262.20 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money  
262.21 collected under chapter 171 and any other money otherwise donated, allotted, appropriated,  
262.22 or legislated to the account.

262.23 (b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner  
262.24 of public safety to administer the driver services specified in chapters 169A and 171,  
262.25 including the activities associated with producing and mailing drivers' licenses and  
262.26 identification cards and notices relating to issuance, renewal, or withdrawal of driving and  
262.27 identification card privileges for any fiscal year or years and for the testing and examination  
262.28 of drivers.

262.29 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle  
262.30 services technology account is created in the ~~special revenue~~ driver and vehicle services  
262.31 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~

263.1 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~  
 263.2 and any other money otherwise donated, allotted, appropriated, or legislated to this account.

263.3 (b) Money in the account is annually appropriated to the commissioner of public safety  
 263.4 to support the research, development, deployment, and maintenance of a driver and vehicle  
 263.5 services information system.

263.6 ~~(c) Following completion of the deposit of filing fee revenue into the driver and vehicle~~  
 263.7 ~~services technology account as provided under section 168.33, subdivision 7~~ Annually by  
 263.8 February 1, the commissioner ~~shall~~ must submit a ~~notification~~ report to the chairs and  
 263.9 ranking minority members of the legislative committees with jurisdiction over transportation  
 263.10 policy and finance ~~concerning driver and vehicle services information system implementation,~~  
 263.11 ~~which must include information~~ on (1) total revenue deposited in the driver and vehicle  
 263.12 services technology account for the previous calendar year, with a breakdown by sources  
 263.13 of funds; (2) total project costs incurred through December 31 of the previous calendar year,  
 263.14 with a breakdown by key project components; and (3) an estimate of ongoing system  
 263.15 maintenance costs.

263.16 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending  
 263.17 money from driver and vehicle services accounts created in the ~~special revenue~~ driver and  
 263.18 vehicle services fund for any purpose that is not specifically authorized in this section or in  
 263.19 the chapters specified in this section.

263.20 Sec. 68. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision  
 263.21 to read:

263.22 Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in  
 263.23 section 394.22, subdivision 9, or 462.352, subdivision 5.

263.24 Sec. 69. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

263.25 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a  
 263.26 fund to be known as the state airports fund. The fund shall consist of all money appropriated  
 263.27 to it, or directed to be paid into it, by the legislature.

263.28 (b) The state airports fund shall be paid out on authorization of the commissioner and  
 263.29 shall be used:

263.30 (1) to acquire, construct, improve, maintain, and operate airports and other air navigation  
 263.31 facilities;

264.1 (2) to assist municipalities in the planning, acquisition, construction, improvement, and  
 264.2 maintenance of airports and other air navigation facilities;

264.3 (3) to assist municipalities to initiate, enhance, and market scheduled air service at their  
 264.4 airports;

264.5 (4) to promote interest and safety in aeronautics through education and information; and

264.6 (5) to pay the salaries and expenses of the Department of Transportation related to  
 264.7 aeronautic planning, administration, and operation. All allotments of money from the state  
 264.8 airports fund for salaries and expenses shall be approved by the commissioner of management  
 264.9 and budget.

264.10 ~~(e) A municipality that adopts a comprehensive plan that the commissioner finds is~~  
 264.11 ~~incompatible with the state aviation plan is not eligible for assistance from the state airports~~  
 264.12 ~~fund.~~

264.13 Sec. 70. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

264.14 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,  
 264.15 on behalf of and in the name of this state, within the limitation of available appropriations,  
 264.16 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,  
 264.17 real or personal, for the purpose of establishing and constructing restricted landing areas  
 264.18 and other air navigation facilities and to acquire in like manner, own, control, establish,  
 264.19 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted  
 264.20 landing areas and other air navigation facilities, either within or without this state; and to  
 264.21 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner  
 264.22 may maintain, equip, operate, regulate, and police airports, either within or without this  
 264.23 state. The operation and maintenance of airports is an essential public service. The  
 264.24 commissioner may maintain at such airports facilities for the servicing of aircraft and for  
 264.25 the comfort and accommodation of air travelers. The commissioner may dispose of any  
 264.26 such property, airport, restricted landing area, or any other air navigation facility, by sale,  
 264.27 lease, or otherwise, in accordance with the laws of this state governing the disposition of  
 264.28 other like property of the state. The commissioner may not acquire or take over any restricted  
 264.29 landing area, or other air navigation facility without the consent of the owner. The  
 264.30 commissioner shall not acquire any additional state airports nor establish any additional  
 264.31 state-owned airports. The commissioner may erect, equip, operate, and maintain on any  
 264.32 airport buildings and equipment necessary and proper to maintain, and conduct such airport  
 264.33 and air navigation facilities connected therewith. The commissioner shall not expend money  
 264.34 for land acquisition, or for the construction, improvement, or maintenance of airports, or

265.1 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
 265.2 or joint airport zoning board involved has or is establishing a zoning authority for that  
 265.3 airport, and the authority has made a good-faith showing that it is in the process of and will  
 265.4 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
 265.5 to 360.074. The commissioner may provide funds to support airport safety projects that  
 265.6 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
 265.7 zoning regulation. The commissioner may withhold funding from only the airport subject  
 265.8 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the  
 265.9 commissioner may continue to maintain the state-owned airport at Pine Creek.

265.10 Sec. 71. Minnesota Statutes 2016, section 360.062, is amended to read:

265.11 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**  
 265.12 **NEIGHBORHOOD LAND USES.**

265.13 (a) It is hereby found that an airport hazard endangers the lives and property of users of  
 265.14 the airport and of occupants of land in its vicinity, and may reduce the size of the area  
 265.15 available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility  
 265.16 of the airport and the public investment therein. It is also found that the social and financial  
 265.17 costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly~~  
 265.18 ~~established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport  
 265.19 hazards that might result from the elimination or removal of those uses.

265.20 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport  
 265.21 hazard is a public nuisance and an injury to the community served by the airport in question;  
 265.22 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general  
 265.23 welfare that the creation or establishment of airport hazards be prevented and that this should  
 265.24 be accomplished to the extent legally possible, by exercise of the police power, without  
 265.25 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~  
 265.26 ~~established residential neighborhoods in built-up urban areas,~~ or their designation as  
 265.27 nonconforming uses is not in the public interest and should be avoided whenever possible  
 265.28 consistent with reasonable standards of safety.

265.29 (c) It is further declared that the prevention of the creation or establishment of airport  
 265.30 hazards and the elimination, removal, alteration, mitigation, or marking and lighting of  
 265.31 existing airport hazards are essential public purposes services for which political subdivisions  
 265.32 may raise and expend public funds and acquire land or property interests therein.

266.1 Sec. 72. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

266.2 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation  
 266.3 or establishment of airport hazards, every municipality having an airport hazard area within  
 266.4 its territorial limits may, unless a joint airport zoning board is permitted under subdivision  
 266.5 3, adopt, amend from time to time, administer, and enforce, under the police power and in  
 266.6 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for  
 266.7 such airport hazard area, which regulations may divide such area into zones, and, within  
 266.8 such zones, specify the land uses permitted and regulate and restrict the height to which  
 266.9 structures and trees may be erected or allowed to grow.

266.10 (b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience,  
 266.11 prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~  
 266.12 encourage the most appropriate use of land, the municipality may regulate ~~the location, size~~  
 266.13 ~~and use of buildings and the density of population in that portion of an airport hazard area~~  
 266.14 ~~under approach zones for a distance not to exceed two miles from the airport boundary and~~  
 266.15 ~~in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance  
 266.16 ~~not to exceed one mile from the airport boundary, and by height restriction zoning for a~~  
 266.17 ~~distance not to exceed 1-1/2 miles from the airport boundary~~ areas: (1) land use; (2) height  
 266.18 restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

266.19 (c) The powers granted by this subdivision may be exercised by metropolitan airports  
 266.20 commissions in contiguous cities of the first class in and for which they have been created.

266.21 (d) In the case of airports owned or operated by the state of Minnesota such powers shall  
 266.22 be exercised by the state airport zoning boards or by the commissioner of transportation as  
 266.23 authorized herein.

266.24 Sec. 73. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

266.25 Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a  
 266.26 municipality and an airport hazard area appertaining to the airport is located within the  
 266.27 territorial limits of another county or municipality, the municipality owning or controlling  
 266.28 the airport may request a county or municipality in which an airport hazard area is located:

266.29 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~  
 266.30 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections  
 266.31 360.0655 and 360.0656; or

266.32 (2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning  
 266.33 or controlling municipality shall determine which of these actions it shall request, except

267.1 as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall  
267.2 be made by certified mail to the governing body of each county and municipality in which  
267.3 an airport hazard area is located.

267.4 (b) Where an airport is owned or controlled by a municipality and an airport hazard area  
267.5 appertaining to the airport is located within the territorial limits of another county or  
267.6 municipality, the municipality owning or controlling the airport and the county or other  
267.7 municipality within which the airport hazard area is located may, by ordinance or resolution  
267.8 duly adopted, create a joint airport zoning board, which board shall have the same power  
267.9 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard  
267.10 area in question as that vested by subdivision 1 in the municipality within which the area  
267.11 is located. A joint board shall have as members two representatives appointed by the  
267.12 municipality owning or controlling the airport and two from the county or municipality, or  
267.13 in case more than one county or municipality is involved two from each county or  
267.14 municipality, in which the airport hazard is located, and in addition a chair elected by a  
267.15 majority of the members so appointed. All members shall serve at the pleasure of their  
267.16 respective appointing authority. Notwithstanding any other provision of law to the contrary,  
267.17 if the owning and controlling municipality is a city of the first class it shall appoint four  
267.18 members to the board, and the chair of the board shall be elected from the membership of  
267.19 the board.

267.20 (c) If a county or municipality, within 60 days of receiving a request from an owning  
267.21 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to  
267.22 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the  
267.23 owning or controlling municipality, or a joint airport zoning board created without  
267.24 participation by the subdivisions which fail to join the board, may itself adopt, administer,  
267.25 and enforce airport zoning regulations for the airport hazard area in question. In the event  
267.26 of conflict between the regulations and airport zoning regulations adopted by the county or  
267.27 municipality within which the airport hazard area is located, section 360.064, subdivision  
267.28 2, applies.

267.29 (d) "Owning or controlling municipality," as used in this subdivision, includes:

267.30 (1) a joint airport operating board created pursuant to section 360.042 that has been  
267.31 granted all the powers of a municipality in zoning matters under the agreement creating the  
267.32 board;

267.33 (2) a joint airport operating board created pursuant to section 360.042 that has not been  
267.34 granted zoning powers under the agreement creating the board; provided that the board shall

268.1 not itself adopt zoning regulations nor shall a joint airport zoning board created at its request  
 268.2 adopt zoning regulations unless all municipalities that created the joint operating board join  
 268.3 to create the joint zoning board; and

268.4 (3) the Metropolitan Airports Commission established and operated pursuant to chapter  
 268.5 473.

268.6 (e) The Metropolitan Airports Commission shall request creation of one joint airport  
 268.7 zoning board for each airport operated under its authority.

268.8 Sec. 74. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

268.9 Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted,  
 268.10 or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the  
 268.11 height of buildings, any airport zoning regulations applicable to the same area or portion  
 268.12 thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such  
 268.13 comprehensive zoning regulations and be administered and enforced in connection therewith.

268.14 Sec. 75. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

268.15 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning  
 268.16 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,  
 268.17 except by action of the governing body of the municipality or county in question, or joint  
 268.18 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in  
 268.19 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions  
 268.20 6 and 8, after public hearings, at which parties in interest and citizens shall have an  
 268.21 opportunity to be heard.

268.22 (b) A public hearing shall must be held on the proposed airport zoning regulations  
 268.23 proposed by a municipality, county, or joint airport zoning board before they are submitted  
 268.24 for approval to the commissioner and after that approval but before final adoption by the  
 268.25 local zoning authority for approval. If any changes that alter the regulations placed on a  
 268.26 parcel of land are made to the proposed airport zoning regulations after the initial public  
 268.27 hearing, the municipality, county, or joint airport zoning board must hold a second public  
 268.28 hearing before final adoption of the regulation. The commissioner may require a second  
 268.29 hearing as determined necessary.

268.30 (c) Notice of a hearing required pursuant to this subdivision shall must be published by  
 268.31 the local zoning authority municipality, county, or joint airport zoning board at least three  
 268.32 times during the period between 15 days and five days before the hearing in an official

269.1 newspaper and in a second newspaper designated by that authority which has a wide general  
 269.2 circulation in the area affected by the proposed regulations and posted on the municipality's,  
 269.3 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide  
 269.4 general circulation in the area that the municipality, county, or joint airport zoning board  
 269.5 can designate for the notice, the municipality, county, or joint airport zoning board is only  
 269.6 required to publish the notice one in the official newspaper of the jurisdiction. The notice  
 269.7 shall not be published in the legal notice section of a newspaper. The notice must specify  
 269.8 the time, location, and purpose of the hearing, and must identify any additional location and  
 269.9 time the proposed regulations will be available for public inspection. A copy of the published  
 269.10 notice must be added to the record of the proceedings.

269.11 (d) Notice of a hearing shall also be mailed to the governing body of each political  
 269.12 subdivision in which property affected by the regulations is located. Notice shall must be  
 269.13 given by mail at least ~~15~~ ten days before each hearing to any persons in municipalities that  
 269.14 own land proposed to be included in safety zone A or B as provided in the rules of the  
 269.15 Department of Transportation and landowners where the location or size of a building, or  
 269.16 the density of population, will be regulated. Mailed notice must also be provided at least  
 269.17 ten days before each hearing to persons or municipalities that have previously requested  
 269.18 such notice from the ~~authority~~ municipality, county, or joint airport zoning board. The notice  
 269.19 must specify the time, location, and purpose of the hearing, and must identify any additional  
 269.20 location and time the proposed regulations will be made available for public inspection.  
 269.21 Mailed notice must also identify the property affected by the regulations. For the purpose  
 269.22 of ~~giving~~ providing mailed notice, the ~~authority~~ municipality, county, or joint airport zoning  
 269.23 board may use any appropriate records to determine the names and addresses of owners. A  
 269.24 copy of the notice and a list of the owners and addresses to which the notice was sent ~~shall~~  
 269.25 be attested to by the responsible person and ~~shall~~ must be ~~made a part of~~ added to the records  
 269.26 of the proceedings. The Failure to ~~give~~ provide mailed notice to individual property owners;  
 269.27 or ~~defects~~ a defect in the notice, ~~shall~~ does not invalidate the proceedings; ~~provided if~~ a  
 269.28 bona fide attempt to comply with this subdivision ~~has been~~ was made. A notice shall describe  
 269.29 the property affected by the proposed regulations and the restrictions to be imposed on the  
 269.30 property by the regulations and shall state the place and time at which the proposed  
 269.31 regulations are available for public inspection.

269.32 **Sec. 76. [360.0655] AIRPORT ZONING REGULATIONS BASED ON**  
 269.33 **COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

269.34 **Subdivision 1. Submission to commissioner; review.** (a) Except as provided in section  
 269.35 **360.0656, prior to adopting zoning regulations, the municipality, county, or joint airport**

270.1 zoning board must submit the proposed regulations to the commissioner for the commissioner  
270.2 to determine whether the regulations conform to the standards prescribed by the  
270.3 commissioner. The municipality, county, or joint airport zoning board may elect to complete  
270.4 custom airport zoning under section 360.0656 instead of using the commissioner's standard,  
270.5 but only after providing written notice to the commissioner.

270.6 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
270.7 regulations within 90 days of receipt of the regulations and report to the municipality, county,  
270.8 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
270.9 respond within 90 days is deemed an approval. The commissioner may request additional  
270.10 information from the municipality, county, or joint airport zoning board within the 90-day  
270.11 review period. If the commissioner requests additional information, the 90-day review period  
270.12 is tolled until the commissioner receives information and deems the information satisfactory.

270.13 (c) If the commissioner objects on the grounds that the regulations do not conform to  
270.14 the standards prescribed by the commissioner, the municipality, county, or joint airport  
270.15 zoning board must make amendments necessary to resolve the objections or provide written  
270.16 notice to the commissioner that the municipality, county, or joint airport zoning board will  
270.17 proceed with zoning under section 360.0656.

270.18 (d) If the municipality, county, or joint airport zoning board makes revisions to the  
270.19 proposed regulations after its initial public hearing, the municipality, county, or joint airport  
270.20 zoning board must conduct a second public hearing on the revisions and resubmit the revised  
270.21 proposed regulations to the commissioner for review. The commissioner must examine the  
270.22 revised proposed regulations within 90 days of receipt to determine whether the revised  
270.23 proposed regulations conform to the standards prescribed by the commissioner.

270.24 (e) If, after a second review period, the commissioner determines that the municipality,  
270.25 county, or joint airport zoning board failed to submit proposed regulations that conform to  
270.26 the commissioner's standards, the commissioner must provide a final written decision to  
270.27 the municipality, county, or joint airport zoning board.

270.28 (f) The municipality, county, or joint airport zoning board must not adopt regulations  
270.29 or take other action until the proposed regulations are approved by the commissioner.

270.30 (g) The commissioner may approve local zoning ordinances that are more stringent than  
270.31 the commissioner's standards.

270.32 (h) If the commissioner approves the proposed regulations, the municipality, county, or  
270.33 joint airport zoning board may adopt the regulations.

271.1 (i) A copy of the adopted regulations must be filed with the county recorder in each  
 271.2 county that contains a zoned area subject to the regulations.

271.3 (j) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
 271.4 not affected by the filing of the regulations.

271.5 Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption  
 271.6 of existing land uses, the commissioner's airport zoning standards and local airport zoning  
 271.7 ordinances or regulations adopted under section 360.0655 must distinguish between the  
 271.8 creation or establishment of a use and the elimination of an existing use, and must avoid  
 271.9 the elimination, removal, or reclassification of existing uses to the extent consistent with  
 271.10 reasonable safety standards. The commissioner's standards must include criteria for  
 271.11 determining when an existing land use may constitute an airport hazard so severe that public  
 271.12 safety considerations outweigh the public interest in preventing disruption to that land use.

271.13 (b) Airport zoning regulations that classify as a nonconforming use or require  
 271.14 nonconforming use classification with respect to any existing low-density structure or  
 271.15 existing isolated low-density building lots must be adopted under sections 360.061 to  
 271.16 360.074.

271.17 (c) A local airport zoning authority may classify a land use described in paragraph (b)  
 271.18 as an airport hazard if the authority finds that the classification is justified by public safety  
 271.19 considerations and is consistent with the commissioner's airport zoning standards. Any land  
 271.20 use described in paragraph (b) that is classified as an airport hazard must be acquired, altered,  
 271.21 or removed at public expense.

271.22 (d) This subdivision must not be construed to affect the classification of any land use  
 271.23 under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

271.24 Sec. 77. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

271.25 Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section  
 271.26 360.0655, a municipality, county, or joint airport zoning board must provide notice to the  
 271.27 commissioner when the municipality, county, or joint airport zoning board intends to establish  
 271.28 and adopt custom airport zoning regulations under this section.

271.29 (b) Airport zoning regulations submitted to the commissioner under this subdivision are  
 271.30 not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota  
 271.31 Rules, part 8800.2400.

271.32 (c) When developing and adopting custom airport zoning regulations under this section,  
 271.33 the municipality, county, or joint airport zoning board must include in the record a detailed

- 272.1 analysis that explains how the proposed custom airport zoning regulations addressed the  
272.2 following factors to ensure a reasonable level of safety:
- 272.3 (1) the location of the airport, the surrounding land uses, and the character of  
272.4 neighborhoods in the vicinity of the airport, including:
- 272.5 (i) the location of vulnerable populations, including schools, hospitals, and nursing  
272.6 homes, in the airport hazard area;
- 272.7 (ii) the location of land uses that attract large assemblies of people in the airport hazard  
272.8 area;
- 272.9 (iii) the availability of contiguous open spaces in the airport hazard area;
- 272.10 (iv) the location of wildlife attractants in the airport hazard area;
- 272.11 (v) airport ownership or control of the federal Runway Protection Zone and the  
272.12 department's Clear Zone;
- 272.13 (vi) land uses that create or cause interference with the operation of radio or electronic  
272.14 facilities used by the airport or aircraft;
- 272.15 (vii) land uses that make it difficult for pilots to distinguish between airport lights and  
272.16 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the  
272.17 vicinity of the airport;
- 272.18 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the  
272.19 aircraft;
- 272.20 (ix) airspace protection to prevent the creation of air navigation hazards in the airport  
272.21 hazard area; and
- 272.22 (x) the social and economic costs of restricting land uses;
- 272.23 (2) the airport's type of operations and how the operations affect safety surrounding the  
272.24 airport;
- 272.25 (3) the accident rate at the airport compared to a statistically significant sample, including  
272.26 an analysis of accident distribution based on the rate with a higher accident incidence;
- 272.27 (4) the planned land uses within an airport hazard area, including any applicable platting,  
272.28 zoning, comprehensive plan, or transportation plan; and
- 272.29 (5) any other information relevant to safety or the airport.
- 272.30 Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section  
272.31 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport

273.1 zoning board must submit its proposed regulations and the supporting record to the  
273.2 commissioner for review. The commissioner must determine whether the proposed custom  
273.3 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision  
273.4 1, and (2) provide a reasonable level of safety.

273.5 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
273.6 regulations within 90 days of receipt of the regulations and report to the municipality, county,  
273.7 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
273.8 respond within 90 days is deemed an approval. The commissioner may request additional  
273.9 information from the municipality, county, or joint airport zoning board within the 90-day  
273.10 review period.

273.11 (c) If the commissioner objects on the grounds that the regulations do not provide a  
273.12 reasonable level of safety, the municipality, county, or joint airport zoning board must  
273.13 review, consider, and provide a detailed explanation demonstrating how it evaluated the  
273.14 objections and what action it took or did not take in response to the objections. If the  
273.15 municipality, county, or joint airport zoning board submits amended regulations after its  
273.16 initial public hearing, the municipality, county, or joint airport zoning board must conduct  
273.17 a second public hearing on the revisions and resubmit the revised proposed regulations to  
273.18 the commissioner for review. The commissioner must examine the revised proposed  
273.19 regulations within 90 days of receipt of the regulations. If the commissioner requests  
273.20 additional information, the 90-day review period is tolled until satisfactory information is  
273.21 received by the commissioner. Failure to respond within 90 days is deemed an approval.

273.22 (d) If, after the second review period, the commissioner determines that the municipality,  
273.23 county, or joint airport zoning board failed to submit proposed regulations that provide a  
273.24 reasonable safety level, the commissioner must provide a final written decision to the  
273.25 municipality, county, or joint airport zoning board.

273.26 (e) A municipality, county, or joint airport zoning board is prohibited from adopting  
273.27 custom regulations or taking other action until the proposed regulations are approved by  
273.28 the commissioner.

273.29 (f) If the commissioner approves the proposed regulations, the municipality, county, or  
273.30 joint airport zoning board may adopt the regulations.

273.31 (g) A copy of the adopted regulations must be filed with the county recorder in each  
273.32 county that contains a zoned area subject to the regulations.

273.33 (h) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
273.34 not affected by the filing of the regulations.

274.1 Sec. 78. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

274.2 Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining  
 274.3 airport hazard areas and the categories of uses permitted and airport zoning regulations  
 274.4 adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose a  
 274.5 requirement or restriction which is not reasonably necessary to effectuate the purposes of  
 274.6 sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may~~  
 274.7 ~~be adopted, the commissioner and a local airport zoning authority shall consider, among~~  
 274.8 ~~other things, the character of the flying operations expected to be conducted at the airport,~~  
 274.9 ~~the location of the airport, the nature of the terrain within the airport hazard area, the existing~~  
 274.10 ~~land uses and character of the neighborhood around the airport, the uses to which the property~~  
 274.11 ~~to be zoned are planned and adaptable, and the social and economic costs of restricting land~~  
 274.12 ~~uses versus the benefits derived from a strict application of the standards of the commissioner.~~

274.13 Sec. 79. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision  
 274.14 to read:

274.15 Subd. 5. Federal no hazard determination. (a) Notwithstanding subdivisions 1 and 2,  
 274.16 a municipality, county, or joint airport zoning board may include in its custom airport zoning  
 274.17 regulations adopted under section 360.0656 an option to permit construction of a structure,  
 274.18 an increase or alteration of the height of a structure, or the growth of an existing tree without  
 274.19 a variance from height restrictions if the Federal Aviation Administration has analyzed the  
 274.20 proposed construction, alteration, or growth under Code of Federal Regulations, title 14,  
 274.21 part 77, and has determined the proposed construction, alteration, or growth does not:

274.22 (1) pose a hazard to air navigation;

274.23 (2) require changes to airport or aircraft operations; or

274.24 (3) require any mitigation conditions by the Federal Aviation Administration that cannot  
 274.25 be satisfied by the landowner.

274.26 (b) A municipality, county, or joint airport zoning board that permits an exception to  
 274.27 height restrictions under this subdivision must require the applicant to file the Federal  
 274.28 Aviation Administration's no hazard determination with the applicable zoning administrator.  
 274.29 The applicant must obtain written approval of the zoning administrator before construction,  
 274.30 alteration, or growth may occur. Failure of the administrator to respond within 60 days to  
 274.31 a filing under this subdivision is deemed a denial. The Federal Aviation Administration's  
 274.32 no hazard determination does not apply to requests for variation from land use, density, or  
 274.33 any other requirement unrelated to the height of structures or the growth of trees.

275.1 Sec. 80. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

275.2 Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists,  
275.3 it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall  
275.4 consist of five members, each to be appointed for a term of three years by the authority  
275.5 adopting the regulations and to be removable by the appointing authority for cause, upon  
275.6 written charges and after public hearing. The length of initial appointments may be staggered.

275.7 (b) In the case of a Metropolitan Airports Commission, five members shall be appointed  
275.8 by the commission chair from the area in and for which the commission was created, any  
275.9 of whom may be members of the commission. In the case of an airport owned or operated  
275.10 by the state of Minnesota, the board of commissioners of the county, or counties, in which  
275.11 the airport hazard area is located shall constitute the airport board of adjustment and shall  
275.12 exercise the powers and duties of such board as provided herein.

275.13 Sec. 81. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

275.14 Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning  
275.15 or land acquisition, or for the construction, improvement, or maintenance of airports, or for  
275.16 air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
275.17 or joint airport zoning board involved has or is establishing a zoning authority for that  
275.18 airport, and the authority has made a good-faith showing that it is in the process of and will  
275.19 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
275.20 to 360.074. The commissioner may provide funds to support airport safety projects that  
275.21 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
275.22 zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements  
275.23 to eliminate runway and other potential airport hazards rather than land acquisition in fee.

275.24 Sec. 82. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to  
275.25 read:

275.26 Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use  
275.27 zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate  
275.28 (1) the size or location of buildings, or (2) the density of population.

275.29 Sec. 83. Minnesota Statutes 2016, section 394.23, is amended to read:

275.30 **394.23 COMPREHENSIVE PLAN.**

275.31 The board has the power and authority to prepare and adopt by ordinance, a  
275.32 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be

276.1 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.  
 276.2 The commissioner of natural resources must provide the natural heritage data from the  
 276.3 county biological survey, if available, to each county for use in the comprehensive plan.  
 276.4 When adopting or updating the comprehensive plan, the board must, if the data is available  
 276.5 to the county, consider natural heritage data resulting from the county biological survey. In  
 276.6 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision  
 276.7 10b, the board must consider adopting goals and objectives that will protect open space and  
 276.8 the environment. The board must consider the location and dimensions of airport safety  
 276.9 zones in any portion of the county, and of any airport improvements, identified in the airport's  
 276.10 most recent approved airport layout plan.

276.11 Sec. 84. Minnesota Statutes 2016, section 394.231, is amended to read:

276.12 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

276.13 A county adopting or updating a comprehensive plan in a county outside the metropolitan  
 276.14 area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent  
 276.15 area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and  
 276.16 objectives for the preservation of agricultural, forest, wildlife, and open space land, and  
 276.17 minimizing development in sensitive shoreland areas. Within three years of updating the  
 276.18 comprehensive plan, the county shall consider adopting ordinances as part of the county's  
 276.19 official controls that encourage the implementation of the goals and objectives. The county  
 276.20 shall consider the following goals and objectives:

276.21 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 276.22 open space lands, including consideration of appropriate minimum lot sizes;

276.23 (2) minimizing further development in sensitive shoreland areas;

276.24 (3) minimizing development near wildlife management areas, scientific and natural  
 276.25 areas, and nature centers;

276.26 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 276.27 operation of the airport and the safety of people in the vicinity of the airport;

276.28 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 276.29 of existing and necessary water and wastewater services, infrastructure, other services, and  
 276.30 to the extent feasible, encouraging full development of areas previously zoned for  
 276.31 nonagricultural uses;

276.32 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
 276.33 schools, mass transit, and other public and private service centers;

277.1 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

277.2 ~~(7)~~ (8) other goals and objectives a county may identify.

277.3 Sec. 85. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

277.4 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps  
 277.5 may also be adopted designating or limiting the location, height, width, bulk, type of  
 277.6 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,  
 277.7 and structures may be erected or altered; the minimum and maximum size of yards, courts,  
 277.8 or other open spaces; setback from existing roads and highways and roads and highways  
 277.9 designated on an official map; protective measures necessary to protect the public interest  
 277.10 including but not limited to controls relating to appearance, signs, lighting, hours of operation  
 277.11 and other aesthetic performance characteristics including but not limited to noise, heat,  
 277.12 glare, vibrations and smoke; the area required to provide for off street loading and parking  
 277.13 facilities; heights of trees and structures near airports; and to avoid too great concentration  
 277.14 or scattering of the population. All such provisions shall be uniform for each class of land  
 277.15 or building throughout each district, but the provisions in one district may differ from those  
 277.16 in other districts. No provision may prohibit earth sheltered construction as defined in section  
 277.17 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31  
 277.18 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.  
 277.19 Airport safety zones must be included on maps that illustrate boundaries of zoning districts  
 277.20 and that are adopted as official controls.

277.21 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 277.22 created or updated under this section on or after that date.

277.23 Sec. 86. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision  
 277.24 to read:

277.25 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section  
 277.26 394.22, subdivision 1a.

277.27 Sec. 87. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

277.28 Subdivision 1. **Preparation and review.** The planning agency shall prepare the  
 277.29 comprehensive municipal plan. In discharging this duty the planning agency shall consult  
 277.30 with and coordinate the planning activities of other departments and agencies of the  
 277.31 municipality to insure conformity with and to assist in the development of the comprehensive  
 277.32 municipal plan. In its planning activities the planning agency shall take due cognizance of

278.1 the planning activities of adjacent units of government and other affected public agencies.  
 278.2 The planning agency shall periodically review the plan and recommend amendments  
 278.3 whenever necessary. When preparing or recommending amendments to the comprehensive  
 278.4 plan, the planning agency of a municipality located within a county that is not a greater than  
 278.5 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting  
 278.6 goals and objectives that will protect open space and the environment. When preparing or  
 278.7 recommending amendments to the comprehensive plan, the planning agency must consider  
 278.8 (1) the location and dimensions of airport safety zones in any portion of the municipality,  
 278.9 and (2) any airport improvements identified in the airport's most recent approved airport  
 278.10 layout plan.

278.11 Sec. 88. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision  
 278.12 to read:

278.13 Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included  
 278.14 on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

278.15 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 278.16 created or updated under this section on or after that date.

278.17 Sec. 89. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

278.18 **Subd. 9. Development goals and objectives.** In adopting official controls after July 1,  
 278.19 2008, in a municipality outside the metropolitan area, as defined by section 473.121,  
 278.20 subdivision 2, the municipality shall consider restricting new residential, commercial, and  
 278.21 industrial development so that the new development takes place in areas subject to the  
 278.22 following goals and objectives:

278.23 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 278.24 open space lands, including consideration of appropriate minimum lot sizes;

278.25 (2) minimizing further development in sensitive shoreland areas;

278.26 (3) minimizing development near wildlife management areas, scientific and natural  
 278.27 areas, and nature centers;

278.28 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 278.29 operation of the airport and the safety of people in the vicinity of the airport;

278.30 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 278.31 of existing and necessary water and wastewater services, infrastructure, other services, and

279.1 to the extent feasible, encouraging full development of areas previously zoned for  
279.2 nonagricultural uses;

279.3 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
279.4 schools, mass transit, and other public and private service centers;

279.5 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

279.6 ~~(7)~~ (8) other goals and objectives a municipality may identify.

279.7 Sec. 90. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to  
279.8 read:

279.9 Subd. 1d. **Budget changes or variances; reports.** At least quarterly by January 1, April  
279.10 1, July 1, and October 1, the council must submit a summary to the chairs and ranking  
279.11 minority members of the house of representatives and senate committees with jurisdiction  
279.12 over transportation policy and finance and to the Legislative Commission on Metropolitan  
279.13 Government on any changes to or variances from the budget adopted under subdivision 1.

279.14 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
279.15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

279.16 Sec. 91. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to  
279.17 read:

279.18 Subd. 7. **Budget assumptions.** (a) As part of the budget submission to the legislature  
279.19 under section 16A.11, the council must explicitly identify the assumptions used (1) to prepare  
279.20 the budget submission, and (2) for any underlying documentation or plans regarding  
279.21 transportation and transit.

279.22 (b) As part of the budget submission to the legislature under section 16A.11, the council  
279.23 must include copies of any report, application, or related document submitted to the Federal  
279.24 Transit Administration since the previous budget submission was provided to the legislature.  
279.25 In the budget submission, the council must explicitly identify the assumptions used to  
279.26 prepare each of the reports, applications, or related documents.

279.27 (c) In the budget submission to the legislature under section 16A.11, the council must  
279.28 include a section that provides a detailed explanation of the impact each assumption identified  
279.29 in paragraphs (a) and (b) has on the council's financial forecast.

280.1 Sec. 92. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision  
280.2 to read:

280.3 Subd. 15. Rail colocation prohibition. The responsible authority is prohibited from  
280.4 constructing a light rail transit line or extension in a shared use rail corridor for freight rail  
280.5 and light rail transit.

280.6 EFFECTIVE DATE; APPLICATION. This section is effective June 1, 2018. The  
280.7 portion of this section applicable to the Metropolitan Council applies in the counties of  
280.8 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

280.9 Sec. 93. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended  
280.10 to read:

280.11 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been  
280.12 used to pay for light rail transit operations, 50 percent of the remaining operating costs must  
280.13 be paid by the state.

280.14 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs  
280.15 must be paid from nonstate sources for a segment of a light rail transit line or line extension  
280.16 project that formally entered the engineering phase of the Federal Transit Administration's  
280.17 "New Starts" capital investment grant program between August 1, 2016, and December 31,  
280.18 2016.

280.19 (c) For purposes of this subdivision, operating costs consist of the costs associated with  
280.20 light rail system daily operations and the maintenance costs associated with keeping light  
280.21 rail services and facilities operating. Operating costs do not include costs incurred to enhance  
280.22 or expand the existing system, construct new buildings or facilities, purchase new vehicles,  
280.23 or make technology improvements.

280.24 Sec. 94. Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 2, is amended  
280.25 to read:

280.26 Subd. 2. **Legislative report.** (a) By October 15 in every even-numbered year, the council  
280.27 must prepare, in collaboration with the commissioner, a report on comprehensive transit  
280.28 finance in the metropolitan area. The council must submit the report electronically to the  
280.29 chairs and ranking minority members of the legislative committees with jurisdiction over  
280.30 transportation policy and finance.

280.31 (b) The report must be structured to provide financial information in six-month increments  
280.32 corresponding to state and local fiscal years, and must use consistent assumptions and

281.1 methodologies. The report must explicitly identify and explain the assumptions and  
281.2 methodologies used to prepare the report. The report must comprehensively identify all  
281.3 funding sources and expenditures related to transit in the metropolitan area, including but  
281.4 not limited to:

281.5 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,  
281.6 counties, and cities;

281.7 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other  
281.8 transit project development; and

281.9 (3) expenditures for guideways, busways, regular route bus service, demand-response  
281.10 service, and special transportation service under section 473.386.

281.11 (c) The report must include a section that summarizes the status of (1) guideways in  
281.12 revenue operation, and (2) guideway projects (i) currently in study, planning, development,  
281.13 or construction; (ii) identified in the transportation policy plan under section 473.146; or  
281.14 (iii) identified in the comprehensive statewide freight and passenger rail plan under section  
281.15 174.03, subdivision 1b.

281.16 (d) At a minimum, the guideways status section of the report must provide for each  
281.17 guideway project wholly or partially in the metropolitan area:

281.18 (1) a brief description of the project, including projected ridership;

281.19 (2) a summary of the overall status and current phase of the project;

281.20 (3) a timeline that includes (i) project phases or milestones, including any federal  
281.21 approvals; (ii) expected and known dates of commencement of each phase or milestone;  
281.22 and (iii) expected and known dates of completion of each phase or milestone;

281.23 (4) a brief progress update on specific project phases or milestones completed since the  
281.24 last previous submission of a report under this subdivision; and

281.25 (5) a summary financial plan that identifies, as reflected by the data and level of detail  
281.26 available in the latest phase of project development and to the extent available:

281.27 (i) capital expenditures, including expenditures to date and total projected expenditures,  
281.28 with a breakdown by committed and proposed sources of funds for the project;

281.29 (ii) estimated annual operations and maintenance expenditures reflecting the level of  
281.30 detail available in the current phase of the project development, with a breakdown by  
281.31 committed and proposed sources of funds for the project; and

281.32 (iii) if feasible, project expenditures by budget activity.

282.1 (e) The report must include a section that summarizes the status of (1) busways in revenue  
282.2 operation, and (2) busway projects currently in study, planning, development, or construction.

282.3 (f) The report must include a section that identifies the total ridership, farebox recovery  
282.4 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation  
282.5 by a transit provider, including guideways, busways, and regular route bus service; and (2)  
282.6 demand-response service and special transportation service. The section must provide data,  
282.7 as available on a per-passenger mile basis and must provide information for at least the  
282.8 previous three years. The section must identify performance standards for farebox recovery  
282.9 and identify each route and line that does not meet the standards.

282.10 (g) The report must also include a systemwide capacity analysis for transit operations  
282.11 and investment in expansion and maintenance that:

282.12 (1) provides a funding projection, annually over the ensuing ten years, and with a  
282.13 breakdown by committed and proposed sources of funds, of:

282.14 (i) total capital expenditures for guideways and for busways;

282.15 (ii) total operations and maintenance expenditures for guideways and for busways;

282.16 (iii) total funding available for guideways and for busways, including from projected or  
282.17 estimated farebox recovery; and

282.18 (iv) total funding available for transit service in the metropolitan area; and

282.19 (2) evaluates the availability of funds and distribution of sources of funds for guideway  
282.20 and for busway investments.

282.21 (h) The capacity analysis under paragraph (g) must include all guideway and busway  
282.22 lines for which public funds are reasonably expected to be expended in planning,  
282.23 development, construction, revenue operation, or capital maintenance during the ensuing  
282.24 ten years.

282.25 (i) Local units of government must provide assistance and information in a timely manner  
282.26 as requested by the commissioner or council for completion of the report.

282.27 Sec. 95. Minnesota Statutes 2016, section 473.606, subdivision 5, is amended to read:

282.28 Subd. 5. **Employees, others, affirmative action; prevailing wage.** The corporation  
282.29 shall have the power to appoint engineers and other consultants, attorneys, and such other  
282.30 officers, agents, and employees as it may see fit, who shall perform such duties and receive  
282.31 such compensation as the corporation may determine notwithstanding the provisions of  
282.32 section 43A.17, subdivision 9, and be removable at the pleasure of the corporation. The

283.1 corporation must adopt an affirmative action plan, which shall be submitted to the appropriate  
 283.2 agency or office of the state for review and approval. The plan must include a yearly progress  
 283.3 report to the agency or office. Whenever the corporation performs any work within the  
 283.4 limits of a city of the first class, or establishes a minimum wage for skilled or unskilled  
 283.5 labor in the specifications or any contract for work within one of the cities, the rate of pay  
 283.6 to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that  
 283.7 city.

283.8 Sec. 96. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

283.9 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**  
 283.10 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public  
 283.11 transit buses that manufactures at least 100 public transit buses in a calendar year. For  
 283.12 purposes of this section, "public transit bus" means a motor vehicle designed to transport  
 283.13 people, with a design capacity for carrying more than 40 passengers, including the driver.  
 283.14 The term "public transit bus" does not include a school bus, as defined in section 169.011,  
 283.15 subdivision 71.

283.16 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32  
 283.17 do not apply to any projects of the Department of Transportation (1) costing less than the  
 283.18 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent  
 283.19 installation of heavy machinery, fixtures, or other capital equipment to be used primarily  
 283.20 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

283.21 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,  
 283.22 grading, or other similar routine road maintenance on town roads.

283.23 Sec. 97. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is  
 283.24 amended to read:

283.25	Subdivision 1. <b>Total Appropriation</b>	\$	<b>199,838,000</b>	\$	<b>199,407,000</b>
283.26	Appropriations by Fund				
283.27		2018		2019	
283.28	General	19,971,000		14,381,000	
283.29				<del>65,087,000</del>	
283.30	Special Revenue	63,945,000		<u>1,439,000</u>	
283.31	H.U.T.D.	10,474,000		10,486,000	
283.32	Trunk Highway	105,448,000		109,453,000	
283.33	<u>Driver and Vehicle</u>				
283.34	<u>Services</u>	<u>0</u>		<u>63,648,000</u>	

284.1 The appropriations in this section are to the  
 284.2 commissioner of public safety. The amounts  
 284.3 that may be spent for each purpose are  
 284.4 specified in the following subdivisions.

284.5 Sec. 98. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is  
 284.6 amended to read:

284.7 **Subd. 2. Administration and Related Services**

284.8 **(a) Office of Communications** 553,000 573,000

284.9 Appropriations by Fund

284.10 2018 2019

284.11 General 127,000 130,000

284.12 Trunk Highway 426,000 443,000

284.13 **(b) Public Safety Support** 6,372,000 6,569,000

284.14 Appropriations by Fund

284.15 2018 2019

284.16 General 1,225,000 1,235,000

284.17 H.U.T.D. 1,366,000 1,366,000

284.18 Trunk Highway 3,781,000 3,968,000

284.19 The commissioner must not spend any money  
 284.20 from the highway user tax distribution fund  
 284.21 for employees working at the public  
 284.22 information center or comparable customer  
 284.23 service positions elsewhere in the department.

284.24 **(c) Public Safety Officer Survivor Benefits** 640,000 640,000

284.25 This appropriation is from the general fund  
 284.26 for payment of public safety officer survivor  
 284.27 benefits under Minnesota Statutes, section  
 284.28 299A.44.

284.29 If the appropriation for either year is  
 284.30 insufficient, the appropriation for the other  
 284.31 year is available for it.

284.32 **(d) Public Safety Officer Reimbursements** 1,367,000 1,367,000

285.1 This appropriation is from the general fund to  
 285.2 be deposited in the public safety officer's  
 285.3 benefit account. This money is available for  
 285.4 reimbursements under Minnesota Statutes,  
 285.5 section 299A.465.

285.6 **(e) Soft Body Armor Reimbursements** 700,000 700,000

285.7 Appropriations by Fund

285.8		2018	2019
285.9	General	600,000	600,000
285.10	Trunk Highway	100,000	100,000

285.11 This appropriation is for soft body armor  
 285.12 reimbursements under Minnesota Statutes,  
 285.13 section 299A.38.

285.14 **(f) Technology and Support Service** 3,777,000 3,814,000

285.15 Appropriations by Fund

285.16		2018	2019
285.17	General	1,353,000	1,365,000
285.18	H.U.T.D.	19,000	19,000
285.19	Trunk Highway	2,405,000	2,430,000

285.20 Sec. 99. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 4, is  
 285.21 amended to read:

285.22 **Subd. 4. Driver and Vehicle Services**

285.23 **(a) Vehicle Services** 30,745,000 31,159,000

285.24 Appropriations by Fund

285.25		2018	2019
285.26			<del>22,923,000</del>
285.27	Special Revenue	22,509,000	<u>0</u>
285.28	H.U.T.D.	8,236,000	8,236,000
285.29	<u>Driver and Vehicle</u>		
285.30	<u>Services</u>	<u>0</u>	<u>22,923,000</u>

285.31 The special revenue fund appropriation in  
 285.32 fiscal year 2018 is from the vehicle services  
 285.33 operating account. The driver and vehicle  
 285.34 services fund appropriation in fiscal year 2019  
 285.35 is from the vehicle services operating account.

286.1	<b>(b) Driver Services</b>		32,014,000	32,725,000
286.2	<u>Appropriations by Fund</u>			
286.3		<u>2018</u>	<u>2019</u>	
286.4	<u>Special Revenue</u>	<u>32,014,000</u>	<u>0</u>	
286.5	<u>Driver and Vehicle</u>			
286.6	<u>Services</u>	<u>0</u>	<u>32,725,000</u>	
286.7	This appropriation is from the driver services			
286.8	operating account <del>in the special revenue fund</del>			
286.9	<u>under Minnesota Statutes, section 299A.705.</u>			
286.10	\$156,000 in each year is to maintain the			
286.11	automated knowledge test system.			
286.12	<b>(c) Minnesota Licensing and Registration System</b>			
286.13	<b>(MNLARS)</b>		8,000,000	8,000,000
286.14	<u>Appropriations by Fund</u>			
286.15		<u>2018</u>	<u>2019</u>	
286.16	<u>Special Revenue</u>	<u>8,000,000</u>	<u>0</u>	
286.17	<u>Driver and Vehicle</u>			
286.18	<u>Services</u>	<u>0</u>	<u>8,000,000</u>	
286.19	This appropriation is for operations and			
286.20	maintenance of the driver and vehicle			
286.21	information system known as the Minnesota			
286.22	Licensing and Registration System.			
286.23	\$1,000,000 in the first year and \$5,265,000 in			
286.24	the second year are from the driver services			
286.25	operating account <del>in the special revenue fund</del>			
286.26	<u>under Minnesota Statutes, section 299A.705.</u>			
286.27	This is a onetime appropriation.			
286.28	\$7,000,000 in the first year and \$2,735,000 in			
286.29	the second year are from the vehicle services			
286.30	operating account <del>in the special revenue fund</del>			
286.31	<u>under Minnesota Statutes, section 299A.705.</u>			
286.32	This is a onetime appropriation.			

287.1 **Sec. 100. CANCELLATION AND TRANSFER; PUBLIC SAFETY.**

287.2 (a) By June 30, 2018, the commissioner of management and budget, in consultation with  
287.3 the commissioner of public safety, must cancel \$1,900,000 of fiscal year 2018 appropriations  
287.4 to the commissioner of public safety from the general fund and special revenue fund in  
287.5 Laws 2017, First Special Session chapter 3. The commissioner must exclude any  
287.6 appropriations made for state patrol, homeland security and emergency management, criminal  
287.7 apprehension, fire marshal, the Firefighter Training and Education Board, alcohol and  
287.8 gambling enforcement, the Office of Justice Programs, and emergency communication  
287.9 networks.

287.10 (b) On July 1, 2018, the commissioner of management and budget must transfer the total  
287.11 amounts canceled under paragraph (a) to the driver and vehicle services technology account  
287.12 under Minnesota Statutes, section 299A.705.

287.13 **Sec. 101. EDITING MNLARS TRANSACTIONS.**

287.14 (a) The commissioner of public safety must ensure deputy registrars are able to edit, at  
287.15 a minimum, the following information as part of a Minnesota Licensing and Registration  
287.16 System (MNLARS) transaction:

287.17 (1) personal information of the applicant;

287.18 (2) vehicle classification and information about a vehicle or trailer;

287.19 (3) sale price of a vehicle or trailer;

287.20 (4) the amount of taxes and fees; and

287.21 (5) the base value of a vehicle or trailer.

287.22 The ability to edit the transactions in this paragraph must be available until the end of the  
287.23 business day following the day the transaction was initially completed.

287.24 (b) For each transaction edited, MNLARS must record which individual edited the  
287.25 record, the date and time the record was edited, what information was edited, and include  
287.26 a notation that the transaction was edited.

287.27 **Sec. 102. ENGINE BRAKES; REGULATION BY BURNSVILLE.**

287.28 Notwithstanding any other law or ordinance, the governing body of the city of Burnsville  
287.29 may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along  
287.30 Legislative Route No. 117, also known as marked Trunk Highway 13, between Nicollet  
287.31 Avenue and Portland Avenue. Upon notification by the city of Burnsville to the commissioner

288.1 of transportation of the city's adoption of the ordinance, the commissioner of transportation  
288.2 shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes  
288.3 of this section, "engine brake" means any device that uses the engine and transmission to  
288.4 impede the forward motion of the motor vehicle by compression of the engine.

288.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

288.6 Sec. 103. **ENGINE BRAKES; REGULATION BY MINNEAPOLIS.**

288.7 Notwithstanding any other law or charter provision, the governing body of the city of  
288.8 Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor  
288.9 vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, in  
288.10 the westbound lane beginning at LaSalle Avenue and extending west to the Lowry Tunnel.  
288.11 Upon notification by the city of Minneapolis to the commissioner of transportation of the  
288.12 city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate  
288.13 signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine  
288.14 brake" means any device that uses the engine and transmission to impede the forward motion  
288.15 of the motor vehicle by compression of the engine.

288.16 **EFFECTIVE DATE.** This section is effective June 1, 2018.

288.17 Sec. 104. **INTERSTATE HIGHWAY 35 AT COUNTY ROAD 9 IN RICE COUNTY**  
288.18 **INTERCHANGE FEASIBILITY STUDY; APPROPRIATION.**

288.19 \$600,000 in fiscal year 2019 is appropriated to the commissioner of transportation to  
288.20 conduct a study on the feasibility of an interchange at marked Interstate Highway 35 and  
288.21 County Road 9 in Rice County. Of this appropriation, \$100,000 is from the general fund  
288.22 and \$500,000 is from the trunk highway fund. At a minimum, the commissioner's study  
288.23 must include estimated construction costs, traffic modeling, an environmental analysis, and  
288.24 a potential design layout for an interchange. This is a onetime appropriation.

288.25 Sec. 105. **LEGISLATIVE ROUTE NO. 180 TURNBACK; SPEED LIMIT.**

288.26 If the commissioner of transportation turns back any portion of Legislative Route No.  
288.27 180 to Grant County, the speed limit on that portion of the road after it is turned back must  
288.28 remain 60 miles per hour.

288.29 **EFFECTIVE DATE.** This section is effective June 1, 2018.

289.1 **Sec. 106. LEGISLATIVE ROUTE NO. 222 REMOVED.**

289.2 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day  
289.3 after the commissioner of transportation receives a copy of the agreement between the  
289.4 commissioner and the governing body of Red Lake County to transfer jurisdiction of  
289.5 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under  
289.6 paragraph (b).

289.7 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
289.8 Statutes when the commissioner of transportation sends notice to the revisor electronically  
289.9 or in writing that the conditions required to transfer the route have been satisfied.

289.10 **Sec. 107. LEGISLATIVE ROUTE NO. 253 REMOVED.**

289.11 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day  
289.12 after the commissioner of transportation receives a copy of the agreement between the  
289.13 commissioner and the governing body of Faribault County to transfer jurisdiction of  
289.14 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under  
289.15 paragraph (b).

289.16 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
289.17 Statutes when the commissioner of transportation sends notice to the revisor electronically  
289.18 or in writing that the conditions required to transfer the route have been satisfied.

289.19 **Sec. 108. LEGISLATIVE ROUTE NO. 254 REMOVED.**

289.20 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day  
289.21 after the commissioner of transportation receives a copy of the agreement between the  
289.22 commissioner and the governing body of Faribault County to transfer jurisdiction of  
289.23 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under  
289.24 paragraph (b).

289.25 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
289.26 Statutes when the commissioner of transportation sends notice to the revisor electronically  
289.27 or in writing that the conditions required to transfer the route have been satisfied.

289.28 **Sec. 109. LEGISLATIVE ROUTE NO. 277 REMOVED.**

289.29 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the latter  
289.30 of June 1, 2018, or the day after the commissioner of transportation receives a copy of the  
289.31 agreement between the commissioner and the governing body of Chippewa County to

290.1 transfer jurisdiction of Legislative Route No. 277 and after the commissioner notifies the  
290.2 revisor of statutes under paragraph (b).

290.3 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
290.4 Statutes when the commissioner of transportation sends notice to the revisor electronically  
290.5 or in writing that the conditions required to transfer the route have been satisfied.

290.6 **Sec. 110. LEGISLATIVE ROUTE NO. 298 REMOVED.**

290.7 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day  
290.8 after the commissioner of transportation receives a copy of the agreement between the  
290.9 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
290.10 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under  
290.11 paragraph (b).

290.12 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
290.13 Statutes when the commissioner of transportation sends notice to the revisor electronically  
290.14 or in writing that the conditions required to transfer the route have been satisfied.

290.15 **Sec. 111. LEGISLATIVE ROUTE NO. 299 REMOVED.**

290.16 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day  
290.17 after the commissioner of transportation receives a copy of the agreement between the  
290.18 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
290.19 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under  
290.20 paragraph (b).

290.21 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
290.22 Statutes when the commissioner of transportation sends notice to the revisor electronically  
290.23 or in writing that the conditions required to transfer the route have been satisfied.

290.24 **Sec. 112. LEGISLATIVE ROUTE NO. 323 REMOVED.**

290.25 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day  
290.26 after the commissioner of transportation receives a copy of the agreement between the  
290.27 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
290.28 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under  
290.29 paragraph (b).

291.1 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
291.2 Statutes when the commissioner of transportation sends notice to the revisor electronically  
291.3 or in writing that the conditions required to transfer the route have been satisfied.

291.4 Sec. 113. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

291.5 The commissioner of transportation must erect signs that identify and direct motorists  
291.6 to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy  
291.7 for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in  
291.8 each direction of travel must be placed on marked Interstate Highway 35, located as near  
291.9 as practical to exits that reasonably access the campuses. The commissioner is prohibited  
291.10 from removing signs for the campuses posted on marked Trunk Highway 60.

291.11 **EFFECTIVE DATE.** This section is effective June 1, 2018.

291.12 Sec. 114. **MARKED INTERSTATE HIGHWAY 94 STUDY; APPROPRIATION.**

291.13 \$1,450,000 in fiscal year 2019 is appropriated to the commissioner of transportation to  
291.14 conduct a study on the feasibility of expanding or reconstructing marked Interstate Highway  
291.15 94 from the city of St. Michael to the city of St. Cloud. Of this appropriation, \$950,000 is  
291.16 from the general fund and \$500,000 is from the trunk highway fund. At a minimum, the  
291.17 commissioner's study must include traffic modeling and an environmental analysis. This is  
291.18 a onetime appropriation.

291.19 Sec. 115. **MNLARS REIMBURSEMENT FROM THE JOINT HOUSE AND SENATE**  
291.20 **SUBCOMMITTEE ON CLAIMS.**

291.21 Any person may seek reimbursement from the joint house and senate Subcommittee on  
291.22 Claims for any personal or business costs that would not have been incurred but for an  
291.23 unreasonable delay caused by the Minnesota Licensing and Registration System (MNLARS)  
291.24 or improper functioning of MNLARS. The subcommittee must determine whether a delay  
291.25 is unreasonable compared to the length of time it took to complete a similar transaction  
291.26 prior to the use of MNLARS.

291.27 **EFFECTIVE DATE.** This section is effective June 1, 2018.

292.1 Sec. 116. **MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION**  
292.2 **ADVISORY COMMITTEE; FIRST APPOINTMENTS; FIRST MEETING.**

292.3 Subdivision 1. **First appointments.** Appointment authorities must make first  
292.4 appointments to the Motor Vehicle Title Transfer and Registration Advisory Committee by  
292.5 September 15, 2018.

292.6 Subd. 2. **First meeting.** The commissioner of public safety or a designee shall convene  
292.7 the first meeting of the advisory committee by November 1, 2018.

292.8 Sec. 117. **PUBLIC AWARENESS CAMPAIGN.**

292.9 The commissioner of public safety shall conduct a public awareness campaign to increase  
292.10 public knowledge about Minnesota Statutes, section 169.18, subdivision 10.

292.11 Sec. 118. **RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.**

292.12 (a) The commissioner of public safety must make an individual's driver's license eligible  
292.13 for reinstatement if the license is solely suspended pursuant to:

292.14 (1) Minnesota Statutes 2016, section 171.16, subdivision 2, if the person was convicted  
292.15 only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

292.16 (2) Minnesota Statutes 2016, section 171.16, subdivision 3; or

292.17 (3) both clauses (1) and (2).

292.18 (b) By May 1, 2019, the commissioner must provide written notice to an individual  
292.19 whose license has been made eligible for reinstatement under paragraph (a), addressed to  
292.20 the licensee at the licensee's last known address.

292.21 (c) Before the license is reinstated, an individual whose driver's license is eligible for  
292.22 reinstatement under paragraph (a) must pay the reinstatement fee under Minnesota Statutes,  
292.23 section 171.20, subdivision 4.

292.24 (d) The following applies for an individual who is eligible for reinstatement under  
292.25 paragraph (a), clause (1), (2), or (3), and whose license was suspended, revoked, or canceled  
292.26 under any other provision in Minnesota Statutes:

292.27 (1) the suspension, revocation, or cancellation under any other provision in Minnesota  
292.28 Statutes remains in effect;

292.29 (2) subject to clause (1), the individual may become eligible for reinstatement under  
292.30 paragraph (a), clause (1), (2), or (3); and

293.1 (3) the commissioner is not required to send the notice described in paragraph (b).

293.2 (e) Paragraph (a) applies notwithstanding Minnesota Statutes 2016, sections 169.92,  
 293.3 subdivision 4; 171.16, subdivision 2 or 3; or any other law to the contrary.

293.4 **EFFECTIVE DATE.** This section is effective April 1, 2019.

293.5 Sec. 119. **TRANSFER; DRIVER AND VEHICLE SERVICES TECHNOLOGY**  
 293.6 **ACCOUNT.**

293.7 On July 1, 2018, the remaining balance in the driver and vehicle services technology  
 293.8 account in the special revenue fund is transferred to the driver and vehicle services technology  
 293.9 account in the driver and vehicle services fund.

293.10 Sec. 120. **TRANSFER; DRIVER SERVICES OPERATING ACCOUNT.**

293.11 On July 1, 2018, the remaining balance in the driver services operating account in the  
 293.12 special revenue fund is transferred to the driver services operating account in the driver and  
 293.13 vehicle services fund.

293.14 Sec. 121. **TRANSFER; VEHICLE SERVICES OPERATING ACCOUNT.**

293.15 On July 1, 2018, the remaining balance in the vehicle services operating account in the  
 293.16 special revenue fund is transferred to the vehicle services operating account in the driver  
 293.17 and vehicle services fund.

293.18 Sec. 122. **APPROPRIATION; DEPUTY REGISTRAR REIMBURSEMENTS.**

293.19 (a) \$9,000,000 in fiscal year 2018 is appropriated from the special revenue fund to the  
 293.20 commissioner of management and budget for grants to deputy registrars under Minnesota  
 293.21 Statutes, section 168.33. Of this amount, \$3,000,000 is from the vehicle services operating  
 293.22 account and \$6,000,000 is from the driver services operating account. This is a onetime  
 293.23 appropriation and is available until June 30, 2019.

293.24 (b) The reimbursement to each deputy registrar is calculated as follows:

293.25 (1) 50 percent of available funds allocated proportionally based on (i) the number of  
 293.26 transactions where a filing fee under Minnesota Statutes, section 168.33, subdivision 7, is  
 293.27 retained by each deputy registrar from August 1, 2017, through January 31, 2018, compared  
 293.28 to (ii) the total number of transactions where a filing fee is retained by all deputy registrars  
 293.29 during that time period; and

294.1 (2) 50 percent of available funds, or 100 percent of available funds if there is insufficient  
294.2 data to perform the calculation under clause (1), allocated proportionally based on (i) the  
294.3 number of transactions where a filing fee is retained by each deputy registrar from July 1,  
294.4 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing  
294.5 fee is retained by all deputy registrars during that time period.

294.6 (c) For a deputy registrar appointed after July 1, 2014, the commissioner of management  
294.7 and budget must identify whether a corresponding discontinued deputy registrar appointment  
294.8 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must  
294.9 include the transactions of the discontinued deputy registrar in the calculations under  
294.10 paragraph (b) for the deputy registrar appointed after July 1, 2014.

294.11 (d) For a deputy registrar appointed after July 1, 2014, for which paragraph (c) does not  
294.12 apply, the commissioner of management and budget must calculate that deputy registrar's  
294.13 proportional share under paragraph (b), clause (1), based on the average number of  
294.14 transactions where a filing fee is retained among the deputy registrars, as calculated excluding  
294.15 any deputy registrars for which this paragraph applies.

294.16 (e) Except as provided in paragraph (c), in the calculations under paragraph (b) the  
294.17 commissioner of management and budget must exclude transactions for (1) a deputy registrar  
294.18 that is no longer operating as of the effective date of this section, and (2) a deputy registrar  
294.19 office operated by the state.

294.20 (f) A deputy registrar office operated by the state is not eligible to receive funds under  
294.21 this section.

294.22 (g) The commissioner of management and budget must make efforts to reimburse deputy  
294.23 registrars within 30 days of the effective date of this section. The commissioner must use  
294.24 existing resources to administer the reimbursements.

294.25 **EFFECTIVE DATE.** This section is effective June 1, 2018.

294.26 Sec. 123. **APPROPRIATION; MNLARS FUNDING.**

294.27 Subdivision 1. **Appropriations.** \$13,200,000 in fiscal year 2019 is appropriated to the  
294.28 commissioner of public safety for contracted technical staff and technical costs related to  
294.29 continued development, improvement, operations, and deployment of MNLARS. Of this  
294.30 appropriation, \$12,600,000 is from the general fund, \$200,000 is from the vehicle services  
294.31 operating account in the driver and vehicle services fund, and \$400,000 is from the driver  
294.32 services operating account in the driver and vehicle services fund. The base for this  
294.33 appropriation from the general fund is \$1,400,000 in fiscal year 2020 and \$0 in fiscal year

295.1 2021. The base for this appropriation from the vehicle services operating account is  
 295.2 \$1,300,000 in fiscal year 2020 and \$0 in fiscal year 2021. The base for this appropriation  
 295.3 from the driver services operating account is \$2,800,000 in fiscal year 2020 and \$0 in fiscal  
 295.4 year 2021. The planning estimates in fiscal year 2020 may only be used for a FAST  
 295.5 Enterprise contract payment related to the driver licensing system.

295.6 Subd. 2. **Quarterly funding review.** The appropriations in this section are subject to  
 295.7 the quarterly review process established in Laws 2018, chapter 101, section 5, subdivision  
 295.8 5.

295.9 Subd. 3. **Use of funds.** The appropriation in subdivision 1 for fiscal year 2019 may be  
 295.10 expended only for:

295.11 (1) contracting to perform software development on the vehicle services component of  
 295.12 MNLARS; and

295.13 (2) technology costs.

295.14 The appropriation in this paragraph must not be expended on additional full or part-time  
 295.15 employees employed by the Department of Public Safety.

295.16 Sec. 124. **APPROPRIATION; CAT II APPROACH SYSTEM; ROCHESTER.**

295.17 (a) \$285,000 in fiscal year 2019 is appropriated from the state airport fund to the  
 295.18 commissioner of transportation for a grant to the city of Rochester to acquire and install a  
 295.19 CAT II approach system at the Rochester International Airport. This is a onetime  
 295.20 appropriation.

295.21 (b) This appropriation is available when the commissioner of management and budget  
 295.22 determines that sufficient resources have been committed to complete the project, as required  
 295.23 by Minnesota Statutes, section 16A.502, and is available until June 30, 2023, subject to  
 295.24 Minnesota Statutes, section 16A.642.

295.25 Sec. 125. **APPROPRIATION; NORTHSTAR COMMUTER RAIL STUDY.**

295.26 \$850,000 in fiscal year 2019 is appropriated from the general fund to the commissioner  
 295.27 of transportation to study and report on the extension of the Northstar Commuter Rail line  
 295.28 from Big Lake to St. Cloud. This is a onetime appropriation.

296.1 Sec. 126. **REVISOR'S INSTRUCTION.**

296.2 The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle  
 296.3 services fund" wherever the term appears in Minnesota Statutes when referring to the  
 296.4 accounts under Minnesota Statutes, section 299A.705.

296.5 Sec. 127. **REPEALER.**

296.6 (a) Minnesota Statutes 2016, sections 168.013, subdivision 21; and 221.161, subdivisions  
 296.7 2, 3, and 4, are repealed.

296.8 (b) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2;  
 296.9 and 360.066, subdivisions 1a and 1b, are repealed.

296.10 Sec. 128. **APPLICATION.**

296.11 (a) Sections 68 to 89 and section 124, paragraph (b), are effective August 1, 2018, and  
 296.12 apply to airport sponsors that make or plan to make changes to runway lengths or  
 296.13 configurations on or after that date.

296.14 (b) Sections 68 to 89 and section 124, paragraph (b), do not apply to airports that (1)  
 296.15 have airport safety zoning ordinances approved by this commissioner in effect on August  
 296.16 1, 2018; (2) have not made and are not planning to make changes to runway lengths or  
 296.17 configurations; and (3) are not required to update airport safety zoning ordinances.

296.18 **ARTICLE 18**

296.19 **AGRICULTURE AND RURAL DEVELOPMENT APPROPRIATIONS**

296.20 Section 1. **APPROPRIATIONS.**

296.21 The sums shown in the columns marked "Appropriations" are added to the appropriations  
 296.22 in Laws 2017, chapter 88, or appropriated to the agencies and for the purposes specified in  
 296.23 this article. The appropriations are from the general fund, or another named fund, and are  
 296.24 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used  
 296.25 in this article mean that the addition to the appropriations listed under them are available  
 296.26 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is  
 296.27 fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018  
 296.28 are effective the day following final enactment.

296.29

**APPROPRIATIONS**

296.30

**Available for the Year**

296.31

**Ending June 30**

297.1		<u><b>2018</b></u>	<u><b>2019</b></u>
297.2	Sec. 2. <u><b>DEPARTMENT OF AGRICULTURE.</b></u> \$	..... \$	.....

297.3 (a) \$200,000 the second year is for additional  
 297.4 statewide mental health counseling support to  
 297.5 farm families and business operators. This  
 297.6 amount is added to the appropriation in Laws  
 297.7 2017, chapter 88, article 1, section 2,  
 297.8 subdivision 5, paragraph (h), and to the  
 297.9 department's base budget.

297.10 (b) \$200,000 the second year is a reduction to  
 297.11 the administration and financial assistance  
 297.12 division.

297.13 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

297.14	Subd. 2. <b>Protection Services</b>	17,821,000	17,825,000
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297.15	Appropriations by Fund		
297.16		2018	2019
297.17	General	17,428,000	17,428,000
297.18	Remediation	393,000	397,000

297.19 (a) \$25,000 the first year and \$25,000 the  
 297.20 second year are to develop and maintain  
 297.21 cottage food license exemption outreach and  
 297.22 training materials.

297.23 (b) \$75,000 the first year and \$75,000 the  
 297.24 second year are to coordinate the correctional  
 297.25 facility vocational training program and to  
 297.26 assist entities that have explored the feasibility  
 297.27 of establishing a USDA-certified or state  
 297.28 "equal to" food processing facility within 30  
 297.29 miles of the Northeast Regional Corrections  
 297.30 Center.

297.31 (c) \$125,000 the first year and \$125,000 the  
 297.32 second year are for additional funding for the

298.1 noxious weed and invasive plant program.  
298.2 These are onetime appropriations.

298.3 (d) \$250,000 the first year and \$250,000 the  
298.4 second year are for transfer to the pollinator  
298.5 habitat and research account in the agricultural  
298.6 fund. These are onetime transfers.

298.7 (e) \$393,000 the first year and \$397,000 the  
298.8 second year are from the remediation fund for  
298.9 administrative funding for the voluntary  
298.10 cleanup program.

298.11 (f) \$200,000 the first year and \$200,000 the  
298.12 second year are for the industrial hemp pilot  
298.13 program under Minnesota Statutes, section  
298.14 18K.09. These are onetime appropriations.

298.15 (g) \$175,000 the first year and \$175,000 the  
298.16 second year are for compensation for  
298.17 destroyed or crippled livestock under  
298.18 Minnesota Statutes, section 3.737. This  
298.19 appropriation may be spent to compensate for  
298.20 livestock that were destroyed or crippled  
298.21 during fiscal year 2017. If the amount in the  
298.22 first year is insufficient, the amount in the  
298.23 second year is available in the first year. The  
298.24 commissioner may use up to \$5,000 of this  
298.25 appropriation the second year to reimburse  
298.26 expenses incurred by university extension  
298.27 agents to provide fair market values of  
298.28 destroyed or crippled livestock.

298.29 (h) \$155,000 the first year and \$155,000 the  
298.30 second year are for compensation for crop  
298.31 damage under Minnesota Statutes, section  
298.32 3.7371. If the amount in the first year is  
298.33 insufficient, the amount in the second year is  
298.34 available in the first year. The commissioner

299.1 may use up to \$30,000 of the appropriation  
299.2 each year to reimburse expenses incurred by  
299.3 the commissioner or the commissioner's  
299.4 approved agent to investigate and resolve  
299.5 claims.

299.6 If the commissioner determines that claims  
299.7 made under Minnesota Statutes, section 3.737  
299.8 or 3.7371, are unusually high, amounts  
299.9 appropriated for either program may be  
299.10 transferred to the appropriation for the other  
299.11 program.

299.12 (i) \$250,000 the first year and \$250,000 the  
299.13 second year are to expand current capabilities  
299.14 for rapid detection, identification, containment,  
299.15 control, and management of high priority plant  
299.16 pests and pathogens. These are onetime  
299.17 appropriations.

299.18 (j) \$300,000 the first year and \$300,000 the  
299.19 second year are for transfer to the noxious  
299.20 weed and invasive plant species assistance  
299.21 account in the agricultural fund to award  
299.22 grants to local units of government under  
299.23 Minnesota Statutes, section 18.90, with  
299.24 preference given to local units of government  
299.25 responding to Palmer amaranth or other weeds  
299.26 on the eradicate list. These are onetime  
299.27 transfers.

299.28 (k) \$120,000 the first year and \$120,000 the  
299.29 second year are for wolf-livestock conflict  
299.30 prevention grants under article 2, section 89.  
299.31 The commissioner must submit a report to the  
299.32 chairs and ranking minority members of the  
299.33 legislative committees with jurisdiction over  
299.34 agriculture policy and finance by January 15,  
299.35 2020, on the outcomes of the wolf-livestock

300.1 conflict prevention grants and whether  
 300.2 livestock compensation claims were reduced  
 300.3 in the areas that grants were awarded. These  
 300.4 are onetime appropriations.

300.5 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

300.6 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 300.7 **Advancement**

22,581,000

22,636,000

300.8 (a) \$9,300,000 the first year and \$9,300,000  
 300.9 the second year are for transfer to the  
 300.10 agriculture research, education, extension, and  
 300.11 technology transfer account under Minnesota  
 300.12 Statutes, section 41A.14, subdivision 3. Of  
 300.13 these amounts: at least \$600,000 the first year  
 300.14 and \$600,000 the second year are for the  
 300.15 Minnesota Agricultural Experiment Station's  
 300.16 agriculture rapid response fund under  
 300.17 Minnesota Statutes, section 41A.14,  
 300.18 subdivision 1, clause (2); \$2,000,000 the first  
 300.19 year and \$2,000,000 the second year are for  
 300.20 grants to the Minnesota Agriculture Education  
 300.21 Leadership Council to enhance agricultural  
 300.22 education with priority given to Farm Business  
 300.23 Management challenge grants; \$350,000 the  
 300.24 first year and \$350,000 the second year are  
 300.25 for potato breeding; and \$450,000 the first  
 300.26 year and \$450,000 the second year are for the  
 300.27 cultivated wild rice breeding project at the  
 300.28 North Central Research and Outreach Center  
 300.29 to include a tenure track/research associate  
 300.30 plant breeder. The commissioner shall transfer  
 300.31 the remaining funds in this appropriation each  
 300.32 year to the Board of Regents of the University  
 300.33 of Minnesota for purposes of Minnesota  
 300.34 Statutes, section 41A.14. Of the amount  
 300.35 transferred to the Board of Regents, up to

301.1 \$1,000,000 each year is for research on avian  
301.2 influenza, including prevention measures that  
301.3 can be taken.

301.4 To the extent practicable, funds expended  
301.5 under Minnesota Statutes, section 41A.14,  
301.6 subdivision 1, clauses (1) and (2), must  
301.7 supplement and not supplant existing sources  
301.8 and levels of funding. The commissioner may  
301.9 use up to one percent of this appropriation for  
301.10 costs incurred to administer the program.

301.11 (b) \$13,256,000 the first year and \$13,311,000  
301.12 the second year are for the agricultural growth,  
301.13 research, and innovation program in  
301.14 Minnesota Statutes, section 41A.12. Except  
301.15 as provided below, the commissioner may  
301.16 allocate the appropriation each year among  
301.17 the following areas: facilitating the start-up,  
301.18 modernization, or expansion of livestock  
301.19 operations including beginning and  
301.20 transitioning livestock operations; developing  
301.21 new markets for Minnesota farmers by  
301.22 providing more fruits, vegetables, meat, grain,  
301.23 and dairy for Minnesota school children;  
301.24 assisting value-added agricultural businesses  
301.25 to begin or expand, access new markets, or  
301.26 diversify; providing funding not to exceed  
301.27 \$250,000 each year for urban youth  
301.28 agricultural education or urban agriculture  
301.29 community development; providing funding  
301.30 not to exceed \$250,000 each year for the good  
301.31 food access program under Minnesota  
301.32 Statutes, section 17.1017; facilitating the  
301.33 start-up, modernization, or expansion of other  
301.34 beginning and transitioning farms including  
301.35 by providing loans under Minnesota Statutes,

302.1 section 41B.056; sustainable agriculture  
302.2 on-farm research and demonstration;  
302.3 development or expansion of food hubs and  
302.4 other alternative community-based food  
302.5 distribution systems; enhancing renewable  
302.6 energy infrastructure and use; crop research;  
302.7 Farm Business Management tuition assistance;  
302.8 good agricultural practices/good handling  
302.9 practices certification assistance; establishing  
302.10 and supporting farmer-led water management  
302.11 councils; and implementing farmer-led water  
302.12 quality improvement practices. The  
302.13 commissioner may use up to 6.5 percent of  
302.14 this appropriation for costs incurred to  
302.15 administer the program.

302.16 Of the amount appropriated for the agricultural  
302.17 growth, research, and innovation program in  
302.18 Minnesota Statutes, section 41A.12:

302.19 (1) \$1,000,000 the first year and \$1,000,000  
302.20 the second year are for distribution in equal  
302.21 amounts to each of the state's county fairs to  
302.22 preserve and promote Minnesota agriculture;  
302.23 and

302.24 (2) \$1,500,000 the first year and \$1,500,000  
302.25 the second year are for incentive payments  
302.26 under Minnesota Statutes, sections 41A.16,  
302.27 41A.17, and 41A.18. Notwithstanding  
302.28 Minnesota Statutes, section 16A.28, the first  
302.29 year appropriation is available until June 30,  
302.30 2019, and the second year appropriation is  
302.31 available until June 30, 2020. If this  
302.32 appropriation exceeds the total amount for  
302.33 which all producers are eligible in a fiscal  
302.34 year, the commissioner must issue incentive  
302.35 payments under Minnesota Statutes, section

303.1 41A.17, to facilities that otherwise satisfy the  
303.2 criteria and requirements in that section but  
303.3 began producing renewable chemical from  
303.4 forestry biomass between January 1, 2013,  
303.5 and January 1, 2015, and any remaining  
303.6 balance of the appropriation is available for  
303.7 the agricultural growth, research, and  
303.8 innovation program.

303.9 The commissioner may use funds appropriated  
303.10 under this subdivision to award up to two  
303.11 value-added agriculture grants per year of up  
303.12 to \$1,000,000 per grant for new or expanding  
303.13 agricultural production or processing facilities  
303.14 that provide significant economic impact to  
303.15 the region. The commissioner may use funds  
303.16 appropriated under this subdivision for  
303.17 additional value-added agriculture grants for  
303.18 awards between \$1,000 and \$200,000 per  
303.19 grant.

303.20 Appropriations in clauses (1) and (2) are  
303.21 onetime. Any unencumbered balance does not  
303.22 cancel at the end of the first year and is  
303.23 available for the second year. Notwithstanding  
303.24 Minnesota Statutes, section 16A.28,  
303.25 appropriations encumbered under contract on  
303.26 or before June 30, 2019, for agricultural  
303.27 growth, research, and innovation grants are  
303.28 available until June 30, 2021.

303.29 The base budget for the agricultural growth,  
303.30 research, and innovation program is  
303.31 \$14,275,000 for fiscal years 2020 and 2021  
303.32 and includes funding for incentive payments  
303.33 under Minnesota Statutes, sections 41A.16,  
303.34 41A.17, 41A.18, and 41A.20.

304.1 The commissioner must develop additional  
 304.2 innovative production incentive programs to  
 304.3 be funded by the agricultural growth, research,  
 304.4 and innovation program.

304.5 The commissioner must consult with the  
 304.6 commissioner of transportation, the  
 304.7 commissioner of administration, and local  
 304.8 units of government to identify parcels of  
 304.9 publicly owned land that are suitable for urban  
 304.10 agriculture.

304.11 (c) \$25,000 the first year and \$25,000 the  
 304.12 second year are for grants to the Southern  
 304.13 Minnesota Initiative Foundation to promote  
 304.14 local foods through an annual event that raises  
 304.15 public awareness of local foods and connects  
 304.16 local food producers and processors with  
 304.17 potential buyers.

## 304.18 ARTICLE 19

### 304.19 AGRICULTURE STATUTORY CHANGES

304.20 Section 1. Minnesota Statutes 2016, section 17.494, is amended to read:

#### 304.21 17.494 AQUACULTURE PERMITS; RULES.

304.22 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and  
 304.23 shall assist aquatic farmers to obtain licenses or permits.

304.24 ~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture  
 304.25 shall consolidate the permits or licenses required for every aquatic farm location. The  
 304.26 Department of Natural Resources transportation permits are exempt from this requirement.  
 304.27 State agencies shall adopt rules or issue commissioner's orders that establish permit and  
 304.28 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,  
 304.29 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined  
 304.30 in section 17.4982, must be classified as agricultural operations for purposes of any  
 304.31 construction, discharge, or other permit issued by the Pollution Control Agency.

304.32 Nothing in this section modifies any state agency's regulatory authority over aquaculture  
 304.33 production.

305.1 Sec. 2. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
305.2 read:

305.3 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial  
305.4 propagation and rearing of saltwater aquatic life including, but not limited to, crustaceans,  
305.5 primarily for consumption as human food.

305.6 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
305.7 read:

305.8 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for  
305.9 saltwater aquaculture including but not limited to artificial ponds, vats, tanks, raceways,  
305.10 and other facilities that an aquatic farmer owns or has exclusive control of for the sole  
305.11 purpose of producing saltwater aquatic life.

305.12 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
305.13 read:

305.14 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that  
305.15 are saltwater obligates or perform optimally when raised in salinities closer to that of natural  
305.16 seawater and need saltwater to survive.

305.17 Sec. 5. **[17.499] TRANSPORTATION OR IMPORTATION OF SALTWATER**  
305.18 **AQUATIC LIFE; QUARANTINE REQUIREMENT.**

305.19 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase  
305.20 private saltwater aquaculture production and processing in this state under the coordination  
305.21 of the commissioner of agriculture. Additional private production will reduce dependence  
305.22 on foreign suppliers and benefit the rural economy by creating new jobs and economic  
305.23 activity.

305.24 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section  
305.25 17.4985, saltwater aquatic life transportation and importation requirements are governed  
305.26 by this section. A transportation permit is required prior to any importation or intrastate  
305.27 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation  
305.28 permit may be used for multiple shipments within the 30-day term of the permit if the source  
305.29 and the destination remain the same. Transportation permits must be obtained from the  
305.30 commissioner prior to shipment of saltwater aquatic life.

305.31 (b) An application for a transportation permit must be made in the form required by the  
305.32 commissioner. The commissioner may reject an incomplete application.

306.1 (c) An application for a transportation permit must be accompanied by satisfactory  
306.2 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous  
306.3 species of animal other than the saltwater aquatic species and either:

306.4 (1) the facility from which the saltwater aquatic life originated has provided  
306.5 documentation of 36 or more consecutive months of negative testing by an approved  
306.6 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health  
306.7 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health  
306.8 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;  
306.9 or

306.10 (2) the saltwater aquatic life to be imported or transported includes documentation of  
306.11 negative testing for that specific lot by an approved laboratory as free of any disease listed  
306.12 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish  
306.13 Health Blue Book for other species, as appropriate.

306.14 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic  
306.15 life that originated in a foreign country, the shipment must be quarantined at the receiving  
306.16 facility according to a quarantine plan approved by the commissioner. A shipment authorized  
306.17 by the commissioner under clause (2) must be quarantined at the receiving facility according  
306.18 to a quarantine plan approved by the commissioner.

306.19 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved  
306.20 by the commissioner or the United States Department of Agriculture, Animal and Plant  
306.21 Health Inspection Services.

306.22 (e) No later than 14 calendar days after a completed transportation permit application  
306.23 is received, the commissioner must approve or deny the transportation permit application.

306.24 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic  
306.25 life while in transit and must be available for inspection by the commissioner.

306.26 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the  
306.27 license number and the licensee's name and town of residence as it appears on the license.  
306.28 A vehicle used by a licensee must have identification displayed so that it is readily visible  
306.29 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and  
306.30 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed  
306.31 on removable plates or placards placed on opposite doors of the vehicle or on the tanks  
306.32 carried on the vehicle.

307.1 (h) An application to license a vehicle for brood stock or larvae transport or for use as  
 307.2 a saltwater aquatic life vendor that is received by the commissioner is a temporary license  
 307.3 until approved or denied by the commissioner.

307.4 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import  
 307.5 saltwater aquatic life:

307.6 (1) previously processed for use as food or other purposes unrelated to propagation;

307.7 (2) transported directly to an outlet for processing as food or for other food purposes if  
 307.8 accompanied by shipping documents;

307.9 (3) that is being exported if accompanied by shipping documents;

307.10 (4) that is being transported through the state if accompanied by shipping documents;

307.11 or

307.12 (5) transported intrastate within or between facilities licensed for saltwater aquaculture  
 307.13 by the commissioner if accompanied by shipping documents.

307.14 (b) Shipping documents required under paragraph (a) must include the place of origin,  
 307.15 owner or consignee, destination, number, species, and satisfactory evidence, as determined  
 307.16 by the commissioner, of the disease-free certification required under subdivision 2, paragraph  
 307.17 (c), clauses (1) and (2).

307.18 Sec. 6. Minnesota Statutes 2016, section 18.83, subdivision 7, is amended to read:

307.19 Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or  
 307.20 eradicating noxious weeds, which may include the costs of serving notices, is a legal charge  
 307.21 against the county in which the land is located. The officers having the work done must file  
 307.22 with the county auditor a verified and itemized statement of cost for all services rendered  
 307.23 on each separate tract or lot of land. The county auditor shall immediately issue proper  
 307.24 warrants to the persons named on the statement as having rendered services. To reimburse  
 307.25 the county for its expenditure in this regard, the county auditor shall certify the total amount  
 307.26 due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll  
 307.27 as a tax upon the land and it must be collected as other real estate taxes are collected.

307.28 If ~~public~~ publicly owned or managed land is involved, the amount due must be paid  
 307.29 from ~~funds provided~~ money appropriated for maintenance of the land or from the general  
 307.30 revenue or operating fund of the agency responsible for the land. ~~Each claim for control or~~  
 307.31 ~~eradication of noxious weeds on public lands must first be approved by the commissioner~~  
 307.32 ~~of agriculture.~~

308.1 Sec. 7. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

308.2 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the  
308.3 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall  
308.4 pay the inspection fee to the commissioner.

308.5 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person  
308.6 not required to be so licensed shall pay the inspection fee to the commissioner, except as  
308.7 exempted under section 18C.421, subdivision 1, paragraph (b).

308.8 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
308.9 amendments, or plant amendments sold and used in this state must pay an inspection fee of  
308.10 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,  
308.11 soil amendment, and plant amendment sold or distributed in this state, with a minimum of  
308.12 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit  
308.13 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and  
308.14 education account in section 18C.80. Products sold or distributed to manufacturers or  
308.15 exchanged between them are exempt from the inspection fee imposed by this subdivision  
308.16 if the products are used exclusively for manufacturing purposes.

308.17 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant  
308.18 amendment, or soil amendment distribution amounts and inspection fees paid for a period  
308.19 of three years.

308.20 Sec. 8. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended  
308.21 to read:

308.22 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

308.23 Sec. 9. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended  
308.24 to read:

308.25 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

308.26 Sec. 10. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

308.27 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

308.28 Sec. 11. Minnesota Statutes 2016, section 21.89, subdivision 2, is amended to read:

308.29 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to  
308.30 the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold

309.1 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.

309.2 The categories of permits are as follows:

309.3 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar  
309.4 year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph  
309.5 (b);

309.6 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use  
309.7 in home gardens or household plantings, ~~and initial labelers who sell native grasses and~~  
309.8 ~~wildflower seed in commercial or agricultural quantities~~, an annual permit issued for a fee  
309.9 established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from  
309.10 the previous year; and

309.11 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar  
309.12 year, a permanent permit issued for a fee established in section 21.891, subdivision 2,  
309.13 paragraph (d).

309.14 In addition, the person shall furnish to the commissioner an itemized statement of all  
309.15 seeds sold in Minnesota for the periods established by the commissioner. This statement  
309.16 shall be delivered, along with the payment of the fee, based upon the amount and type of  
309.17 seed sold, to the commissioner no later than 30 days after the end of each reporting period.  
309.18 Any person holding a permit shall show as part of the analysis labels or invoices on all  
309.19 agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the  
309.20 commissioner requires. The commissioner may revoke any permit in the event of failure to  
309.21 comply with applicable laws and rules.

309.22 Sec. 12. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

309.23 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
309.24 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
309.25 less from the state border, raw materials may be sourced from within a 100-mile radius.  
309.26 Raw materials must be from agricultural or forestry sources or from solid waste. The facility  
309.27 must be located in Minnesota, must begin production at a specific location by June 30, 2025,  
309.28 and must not begin operating above ~~23,750~~ 1,500 MMbtu of quarterly advanced biofuel  
309.29 production before July 1, 2015. Eligible facilities include existing companies and facilities  
309.30 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as  
309.31 well as new companies and facilities. Production of conventional corn ethanol and  
309.32 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at  
309.33 least ~~23,750~~ 1,500 MMbtu of advanced biofuel quarterly.

310.1 (b) No payments shall be made for advanced biofuel production that occurs after June  
310.2 30, 2035, for those eligible biofuel producers under paragraph (a).

310.3 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility  
310.4 for payments under this section to an advanced biofuel facility at a different location.

310.5 (d) A producer that ceases production for any reason is ineligible to receive payments  
310.6 under this section until the producer resumes production.

310.7 (e) Renewable chemical production for which payment has been received under section  
310.8 41A.17, and biomass thermal production for which payment has been received under section  
310.9 41A.18, are not eligible for payment under this section.

310.10 (f) Biobutanol is eligible under this section.

310.11 Sec. 13. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

310.12 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to  
310.13 eligible producers of advanced biofuel. The amount of the payment for each eligible  
310.14 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from  
310.15 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar ~~or~~<sub>2</sub>  
310.16 starch, oil, or animal fat at a specific location for ten years after the start of production.

310.17 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may  
310.18 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments  
310.19 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount  
310.20 necessary for 17,100,000 MMbtu of biofuel production. The commissioner shall award  
310.21 payments on a first-come, first-served basis within the limits of available funding.

310.22 (c) For purposes of this section, an entity that holds a controlling interest in more than  
310.23 one advanced biofuel facility is considered a single eligible producer.

310.24 Sec. 14. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

310.25 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program must  
310.26 source at least 80 percent of the biobased content used to produce a renewable chemical  
310.27 from the state of Minnesota. If a facility is sited 50 miles or less from the state border, the  
310.28 facility must source at least 80 percent of the biobased content ~~must be sourced~~ used to  
310.29 produce a renewable chemical from within a 100-mile radius of the facility. Biobased content  
310.30 must be from agricultural or forestry sources or from solid waste. The facility must be  
310.31 located in Minnesota, must begin production at a specific location by June 30, 2025, and  
310.32 must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly before January

311.1 1, 2015. Eligible facilities include existing companies and facilities that are adding production  
311.2 capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible  
311.3 renewable chemical facilities must produce at least ~~750,000~~ 250,000 pounds of renewable  
311.4 chemicals quarterly. Renewable chemicals produced through processes that are fully  
311.5 commercial before January 1, 2000, are not eligible.

311.6 (b) No payments shall be made for renewable chemical production that occurs after June  
311.7 30, 2035, for those eligible renewable chemical producers under paragraph (a).

311.8 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility  
311.9 for payments under this section to a renewable chemical facility at a different location.

311.10 (d) A producer that ceases production for any reason is ineligible to receive payments  
311.11 under this section until the producer resumes production.

311.12 (e) Advanced biofuel production for which payment has been received under section  
311.13 41A.16, and biomass thermal production for which payment has been received under section  
311.14 41A.18, are not eligible for payment under this section.

311.15 Sec. 15. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

311.16 Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater  
311.17 pollution is detected, a state agency or political subdivision that regulates an activity causing  
311.18 or potentially causing a contribution to the pollution identified shall promote implementation  
311.19 of best management practices to prevent or minimize the source of pollution to the extent  
311.20 practicable.

311.21 (b) The Pollution Control Agency, or for agricultural chemicals and practices, the  
311.22 commissioner of agriculture may adopt water source protection requirements under  
311.23 subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate  
311.24 with the groundwater pollution if the implementation of best management practices has  
311.25 proven to be ineffective.

311.26 (c) The water resources protection requirements must be:

311.27 (1) designed to prevent and minimize the pollution to the extent practicable;

311.28 (2) designed to prevent the pollution from exceeding the health risk limits; and

311.29 (3) submitted to the house of representatives and senate committees with jurisdiction  
311.30 over the environment, natural resources, and agriculture.

312.1 (d) The commissioner of agriculture shall not adopt water resource protection  
312.2 requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection  
312.3 requirements are specifically approved by law.

## 312.4 **ARTICLE 20**

### 312.5 **HOUSING STATUTORY CHANGES**

312.6 Section 1. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision  
312.7 to read:

312.8 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed  
312.9 construction that has been substantially manufactured or constructed, in whole or in part,  
312.10 at an off-site location, with the final assembly occurring on site alone or with other units  
312.11 and attached to a foundation designed to the State Building Code and occupied as a  
312.12 single-family dwelling. Modular home construction must comply with applicable standards  
312.13 adopted in Minnesota Rules, chapter 1360 or 1361.

312.14 Sec. 2. **[327.335] PLACEMENT OF MODULAR HOMES.**

312.15 A modular home may be placed in a manufactured home park as defined in section  
312.16 327.14, subdivision 3. A modular home placed in a manufactured home park is a  
312.17 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and  
312.18 duties, under those chapters apply. A modular home may not be placed in a manufactured  
312.19 home park without prior written approval of the park owner. Nothing in this section shall  
312.20 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic  
312.21 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes  
312.22 and manufactured home parks.

312.23 Sec. 3. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

312.24 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 60  
312.25 days after receiving notice of a closure statement, the governing body of the affected  
312.26 municipality shall hold a public hearing to review the closure statement and any impact that  
312.27 the park closing may have on the displaced residents and the park owner. At the time of,  
312.28 and in the notice for, the public hearing, displaced residents must be informed that they may  
312.29 be eligible for payments from the Minnesota manufactured home relocation trust fund under  
312.30 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,  
312.31 paragraphs (a) and (e).

313.1 The governing body of the municipality may also require that other parties, including  
 313.2 the municipality, but excluding the park owner or its purchaser, involved in the park closing  
 313.3 provide additional compensation to residents to mitigate the adverse financial impact of the  
 313.4 park closing upon the residents.

313.5 At the public hearing, the municipality shall appoint a qualified neutral third party, to  
 313.6 be agreed upon by both the manufactured home park owner and manufactured home owners,  
 313.7 whose hourly cost must be reasonable and paid from the Minnesota manufactured home  
 313.8 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with  
 313.9 decision-making authority to resolve any questions or disputes regarding any contributions  
 313.10 or disbursements to and from the Minnesota manufactured home relocation trust fund by  
 313.11 either the manufactured home park owner or the manufactured home owners. If the parties  
 313.12 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine  
 313.13 who shall act as the neutral third party.

313.14 The qualified neutral third party shall be familiar with manufactured housing and the  
 313.15 requirements of this section. The neutral third party shall keep an overall receipts and cost  
 313.16 summary together with a detailed accounting, for each manufactured lot, of the payments  
 313.17 received by the manufactured home park owner, and expenses approved and payments  
 313.18 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well  
 313.19 as a record of all services and hours it provided and at what hourly rate it charged to the  
 313.20 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the  
 313.21 manufactured home park owner, the municipality, and the Minnesota Housing Finance  
 313.22 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph  
 313.23 (h), not later than 30 days after the expiration of the nine-month notice provided in the  
 313.24 closure statement.

313.25 Sec. 4. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

313.26 **Subd. 6. Intent to convert use of park at time of purchase.** Before the execution of  
 313.27 an agreement to purchase a manufactured home park, the purchaser must notify the park  
 313.28 owner, in writing, if the purchaser intends to close the manufactured home park or convert  
 313.29 it to another use within one year of the execution of the agreement. The park owner shall  
 313.30 provide a resident of each manufactured home with a 45-day written notice of the purchaser's  
 313.31 intent to close the park or convert it to another use. The notice must state that the park owner  
 313.32 will provide information on the cash price and the terms and conditions of the purchaser's  
 313.33 offer to residents requesting the information. The notice must be sent by first class mail to  
 313.34 a resident of each manufactured home in the park. The notice period begins on the postmark

314.1 date affixed to the notice and ends 45 days after it begins. During the notice period required  
314.2 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park  
314.3 or a nonprofit organization which has the written permission of the owners of at least 51  
314.4 percent of the manufactured homes in the park to represent them in the acquisition of the  
314.5 park shall have the right to meet the cash price and execute an agreement to purchase the  
314.6 park for the purposes of keeping the park as a manufactured housing community, provided  
314.7 that the owners or nonprofit organization will covenant and warrant to the park owner in  
314.8 the agreement that they will continue to operate the park for not less than six years from  
314.9 the date of closing. The park owner must accept the offer if it meets the cash price and the  
314.10 same terms and conditions set forth in the purchaser's offer except that the seller is not  
314.11 obligated to provide owner financing. For purposes of this section, cash price means the  
314.12 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,  
314.13 paragraph (d).

314.14 Sec. 5. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

314.15 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)  
314.16 If a manufactured home owner is required to move due to the conversion of all or a portion  
314.17 of a manufactured home park to another use, the closure of a park, or cessation of use of  
314.18 the land as a manufactured home park, the manufactured park owner shall, upon the change  
314.19 in use, pay to the commissioner of management and budget for deposit in the Minnesota  
314.20 manufactured home relocation trust fund under section 462A.35, the lesser amount of the  
314.21 actual costs of moving or purchasing the manufactured home approved by the neutral third  
314.22 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph  
314.23 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each  
314.24 multisection manufactured home, for which a manufactured home owner has made  
314.25 application for payment of relocation costs under subdivision 13, paragraph (c). The  
314.26 manufactured home park owner shall make payments required under this section to the  
314.27 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice  
314.28 from the neutral third party.

314.29 (b) A manufactured home park owner is not required to make the payment prescribed  
314.30 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
314.31 subdivision 13, paragraph (a) or (e), if:

314.32 (1) the manufactured home park owner relocates the manufactured home owner to  
314.33 another space in the manufactured home park or to another manufactured home park at the  
314.34 park owner's expense;

315.1 (2) the manufactured home owner is vacating the premises and has informed the  
 315.2 manufactured home park owner or manager of this prior to the mailing date of the closure  
 315.3 statement under subdivision 1;

315.4 (3) a manufactured home owner has abandoned the manufactured home, or the  
 315.5 manufactured home owner is not current on the monthly lot rental, personal property taxes;

315.6 (4) the manufactured home owner has a pending eviction action for nonpayment of lot  
 315.7 rental amount under section 327C.09, which was filed against the manufactured home owner  
 315.8 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery  
 315.9 has been ordered by the district court;

315.10 (5) the conversion of all or a portion of a manufactured home park to another use, the  
 315.11 closure of a park, or cessation of use of the land as a manufactured home park is the result  
 315.12 of a taking or exercise of the power of eminent domain by a governmental entity or public  
 315.13 utility; or

315.14 (6) the owner of the manufactured home is not a resident of the manufactured home  
 315.15 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
 315.16 is a resident, but came to reside in the manufactured home park after the mailing date of  
 315.17 the closure statement under subdivision 1.

315.18 (c) If the unencumbered fund balance in the manufactured home relocation trust fund  
 315.19 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of  
 315.20 management and budget shall assess each manufactured home park owner by mail the total  
 315.21 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November  
 315.22 15 of that year. The commissioner of management Failure to notify and budget shall deposit  
 315.23 any payments in the Minnesota timely assess the manufactured home relocation trust fund.  
 315.24 On or before July 15 of park owner by August 30 of any year shall waive the assessment  
 315.25 and payment obligations of the manufactured home park owner for that year. Together with  
 315.26 said assessment notice, each year; the commissioner of management and budget shall prepare  
 315.27 and distribute to park owners a letter explaining whether funds are being collected for that  
 315.28 year, information about the collection, an invoice for all licensed lots, and a sample form  
 315.29 for the park owners to collect information on which park residents have been accounted  
 315.30 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15  
 315.31 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park  
 315.32 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park  
 315.33 owners may adjust payment for lots in their park that are vacant or otherwise not eligible  
 315.34 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),

316.1 and for park residents who have not paid the \$15 assessment to the park owner by October  
316.2 15, and deduct from the assessment accordingly. The commissioner of management and  
316.3 budget shall deposit any payments in the Minnesota manufactured home relocation trust  
316.4 fund.

316.5 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
316.6 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action  
316.7 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
316.8 attorney fees, court costs, and disbursements.

316.9 Sec. 6. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

316.10 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a  
316.11 manufactured home owner is required to relocate due to the conversion of all or a portion  
316.12 of a manufactured home park to another use, the closure of a manufactured home park, or  
316.13 cessation of use of the land as a manufactured home park under subdivision 1, and the  
316.14 manufactured home owner complies with the requirements of this section, the manufactured  
316.15 home owner is entitled to payment from the Minnesota manufactured home relocation trust  
316.16 fund equal to the manufactured home owner's actual relocation costs for relocating the  
316.17 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being  
316.18 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection  
316.19 manufactured home. The actual relocation costs must include the reasonable cost of taking  
316.20 down, moving, and setting up the manufactured home, including equipment rental, utility  
316.21 connection and disconnection charges, minor repairs, modifications necessary for  
316.22 transportation of the home, necessary moving permits and insurance, moving costs for any  
316.23 appurtenances, which meet applicable local, state, and federal building and construction  
316.24 codes.

316.25 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if  
316.26 the manufactured home park owner is not required to make a payment to the Minnesota  
316.27 manufactured home relocation trust fund under subdivision 12, paragraph (b).

316.28 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota  
316.29 manufactured home relocation trust fund, the manufactured home owner shall submit to the  
316.30 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park  
316.31 owner, an application for payment, which includes:

316.32 (1) a copy of the closure statement under subdivision 1;

317.1 (2) a copy of the contract with a moving or towing contractor, which includes the  
317.2 relocation costs for relocating the manufactured home;

317.3 (3) a statement with supporting materials of any additional relocation costs as outlined  
317.4 in subdivision 1;

317.5 (4) a statement certifying that none of the exceptions to receipt of compensation under  
317.6 subdivision 12, paragraph (b), apply to the manufactured home owner;

317.7 (5) a statement from the manufactured park owner that the lot rental is current and that  
317.8 the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust  
317.9 fund ~~have~~ has been paid when due; and

317.10 (6) a statement from the county where the manufactured home is located certifying that  
317.11 personal property taxes for the manufactured home are paid through the end of that year.

317.12 (d) The neutral third party shall promptly process all payments for completed applications  
317.13 within 14 days. If the neutral third party has acted reasonably and does not approve or deny  
317.14 payment within 45 days after receipt of the information set forth in paragraph (c), the  
317.15 payment is deemed approved. Upon approval and request by the neutral third party, the  
317.16 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent  
317.17 of the contract price payable to the mover and towing contractor for relocating the  
317.18 manufactured home in the amount of the actual relocation cost, plus a check to the home  
317.19 owner for additional certified costs associated with third-party vendors, that were necessary  
317.20 in relocating the manufactured home. The moving or towing contractor shall receive 50  
317.21 percent upon execution of the contract and 50 percent upon completion of the relocation  
317.22 and approval by the manufactured home owner. The moving or towing contractor may not  
317.23 apply the funds to any other purpose other than relocation of the manufactured home as  
317.24 provided in the contract. A copy of the approval must be forwarded by the neutral third  
317.25 party to the park owner with an invoice for payment of the amount specified in subdivision  
317.26 12, paragraph (a).

317.27 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home  
317.28 relocation trust fund under paragraph (a), the manufactured home owner may collect an  
317.29 amount from the fund after reasonable efforts to relocate the manufactured home have failed  
317.30 due to the age or condition of the manufactured home, or because there are no manufactured  
317.31 home parks willing or able to accept the manufactured home within a 25-mile radius. A  
317.32 manufactured home owner may tender title of the manufactured home in the manufactured  
317.33 home park to the manufactured home park owner, and collect an amount to be determined  
317.34 by an independent appraisal. The appraiser must be agreed to by both the manufactured

318.1 home park owner and the manufactured home owner. If the appraised market value cannot  
318.2 be determined, the tax market value, averaged over a period of five years, can be used as a  
318.3 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a  
318.4 single-section and \$14,500 for a multisection manufactured home. The minimum amount  
318.5 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a  
318.6 multisection manufactured home. The manufactured home owner shall deliver to the  
318.7 manufactured home park owner the current certificate of title to the manufactured home  
318.8 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate  
318.9 of title, and a statement from the county where the manufactured home is located evidencing  
318.10 that the personal property taxes have been paid. The manufactured home owner's application  
318.11 for funds under this paragraph must include a document certifying that the manufactured  
318.12 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the  
318.13 Minnesota manufactured home relocation trust fund have been paid when due, that the  
318.14 manufactured home owner has chosen to tender title under this section, and that the park  
318.15 owner agrees to make a payment to the commissioner of management and budget in the  
318.16 amount established in subdivision 12, paragraph (a), less any documented costs submitted  
318.17 to the neutral third party, required for demolition and removal of the home, and any debris  
318.18 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must  
318.19 also provide a copy of the certificate of title endorsed by the owner of record, and certify  
318.20 to the neutral third party, with a copy to the park owner, that none of the exceptions to  
318.21 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the  
318.22 manufactured home owner, and that the home owner will vacate the home within 60 days  
318.23 after receipt of payment or the date of park closure, whichever is earlier, provided that the  
318.24 monthly lot rent is kept current.

318.25 (f) The Minnesota Housing Finance Agency must make a determination of the amount  
318.26 of payment a manufactured home owner would have been entitled to under a local ordinance  
318.27 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's  
318.28 compensation for relocation costs from the fund under section 462A.35, is the greater of  
318.29 the amount provided under this subdivision, or the amount under the local ordinance in  
318.30 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this  
318.31 paragraph is intended to increase the liability of the park owner.

318.32 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be  
318.33 liable to any person for recovery if the funds in the Minnesota manufactured home relocation  
318.34 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance  
318.35 Agency shall keep a record of the time and date of its approval of payment to a claimant.

319.1 (h) The Minnesota Housing Finance Agency shall post on its Web site and report to the  
 319.2 chairs of the senate Finance Committee and house of representatives Ways and Means  
 319.3 Committee by ~~January~~ October 15 of each year on the Minnesota manufactured home  
 319.4 relocation trust fund, including the aggregate account balance, the aggregate assessment  
 319.5 payments received, summary information regarding each closed park including the total  
 319.6 payments to claimants and payments received from each closed park, the amount of any  
 319.7 advances to the fund, the amount of any insufficiencies encountered during the previous  
 319.8 calendar fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and  
 319.9 any itemized administrative charges or expenses deducted from the trust fund balance, all  
 319.10 of which should be reconciled to the previous year's trust fund balance. If sufficient funds  
 319.11 become available, the Minnesota Housing Finance Agency shall pay the manufactured home  
 319.12 owner whose unpaid claim is the earliest by time and date of approval.

319.13 Sec. 7. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision  
 319.14 to read:

319.15 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health  
 319.16 or, if applicable, local units of government that have entered into a delegation of authority  
 319.17 agreement with the Department of Health as provided in section 145A.07 shall provide, by  
 319.18 March 31 of each year, a list of names and addresses of the manufactured home parks  
 319.19 licensed in the previous year, and for each manufactured home park, the current licensed  
 319.20 owner, the owner's address, the number of licensed manufactured home lots, and other data  
 319.21 as they may request for the Department of Management and Budget to invoice each licensed  
 319.22 manufactured home park in the state of Minnesota.

319.23 Sec. 8. Minnesota Statutes 2016, section 462A.05, subdivision 14b, is amended to read:

319.24 Subd. 14b. **Energy conservation loans.** It may agree to purchase, make, or otherwise  
 319.25 participate in the making, and may enter into commitments for the purchase, making, or  
 319.26 participating in the making, of loans to persons and families, without limitations relating to  
 319.27 the maximum incomes of the borrowers, to assist in energy conservation rehabilitation  
 319.28 measures for existing housing owned by those persons or families including, but not limited  
 319.29 to: weatherstripping and caulking; chimney construction or improvement; furnace or space  
 319.30 heater repair, cleaning, or replacement; central air conditioner repair, maintenance, or  
 319.31 replacement; air source or geothermal heat pump repair, maintenance, or replacement;  
 319.32 insulation, ~~storm~~; windows and doors; and structural or other directly related repairs essential  
 319.33 for energy conservation. Loans shall be made only when the agency determines that financing

320.1 is not otherwise available, in whole or in part, from private lenders upon equivalent terms  
320.2 and conditions. Loans under this subdivision or subdivision 14 may:

320.3 (1) be integrated with a utility's on-bill repayment program approved under section  
320.4 216B.241, subdivision 5d; and

320.5 (2) also be made for the installation of on-site solar energy or energy storage systems.

320.6 Sec. 9. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1, is amended  
320.7 to read:

320.8 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park  
320.9 redevelopment program for the purpose of making manufactured home park redevelopment  
320.10 grants or loans ~~to cities, counties, community action programs, nonprofit organizations, and~~  
320.11 ~~cooperatives created under chapter 308A or 308B~~ for the purposes specified in this section.

320.12 Sec. 10. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1b, is  
320.13 amended to read:

320.14 Subd. 1b. **Manufactured home park infrastructure grants.** Eligible recipients may  
320.15 use manufactured home park infrastructure grants under this program for:

320.16 (1) acquisition of and improvements in manufactured home parks; and

320.17 (2) infrastructure, including storm shelters and community facilities.

320.18 Sec. 11. Minnesota Statutes 2016, section 462A.33, subdivision 1, is amended to read:

320.19 Subdivision 1. **Created.** The economic development and housing challenge program is  
320.20 created to be administered by the agency.

320.21 (a) The program shall provide grants or loans for the purpose of construction, acquisition,  
320.22 rehabilitation, demolition or removal of existing structures, construction financing, permanent  
320.23 financing, interest rate reduction, refinancing, and gap financing of housing or manufactured  
320.24 home parks, as defined in section 327C.01, to support economic development and  
320.25 redevelopment activities or job creation or job preservation within a community or region  
320.26 by meeting locally identified housing needs.

320.27 Gap financing is either:

320.28 (1) the difference between the costs of the property, including acquisition, demolition,  
320.29 rehabilitation, and construction, and the market value of the property upon sale; or

321.1 (2) the difference between the cost of the property and the amount the targeted household  
321.2 can afford for housing, based on industry standards and practices.

321.3 (b) Preference for grants and loans shall be given to comparable proposals that include  
321.4 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,  
321.5 such as increased density, flexibility in site development standards, or zoning code  
321.6 requirements. Preference must also be given among comparable proposals to proposals for  
321.7 projects that are accessible to transportation systems, jobs, schools, and other services.

321.8 (c) If a grant or loan is used for demolition or removal of existing structures, the cleared  
321.9 land must be used for the construction of housing to be owned or rented by persons who  
321.10 meet the income limits of this section or for other housing-related purposes that primarily  
321.11 benefit the persons residing in the adjacent housing. In making selections for grants or loans  
321.12 for projects that demolish affordable housing units, the agency must review the potential  
321.13 displacement of residents and consider the extent to which displacement of residents is  
321.14 minimized.

321.15 Sec. 12. Minnesota Statutes 2016, section 462A.33, subdivision 2, is amended to read:

321.16 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally  
321.17 recognized American Indian tribe or subdivision located in Minnesota, a tribal housing  
321.18 corporation, a private developer, a nonprofit organization, or the owner of the housing or  
321.19 the manufactured home park, including individuals. For the purpose of this section, "city"  
321.20 has the meaning given it in section 462A.03, subdivision 21. To the extent practicable,  
321.21 grants and loans shall be made so that an approximately equal number of housing units are  
321.22 financed in the metropolitan area and in the nonmetropolitan area.

321.23 Sec. 13. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

321.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
321.25 the meanings given.

321.26 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

321.27 (c) "Community land trust" means an entity that meets the requirements of section  
321.28 462A.31, subdivisions 1 and 2.

321.29 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,  
321.30 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses  
321.31 related to the bonds.

322.1 (e) "Foreclosed property" means residential property where foreclosure proceedings  
 322.2 have been initiated or have been completed and title transferred or where title is transferred  
 322.3 in lieu of foreclosure.

322.4 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter  
 322.5 that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal  
 322.6 Revenue Code, finance qualified residential rental projects within the meaning of Section  
 322.7 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity  
 322.8 bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose  
 322.9 of financing or refinancing affordable housing authorized under this chapter.

322.10 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

322.11 (h) "Senior" means a person 62 years of age or older with an annual income not greater  
 322.12 than 50 percent of:

322.13 (1) the metropolitan area median income for persons in the metropolitan area; or

322.14 (2) the statewide median income for persons outside the metropolitan area.

322.15 (i) "Senior housing" means housing intended and operated for occupancy by at least one  
 322.16 senior per unit with at least 80 percent of the units occupied by at least one senior per unit,  
 322.17 and for which there is publication of, and adherence to, policies and procedures that  
 322.18 demonstrate an intent by the owner or manager to provide housing for seniors. Senior  
 322.19 housing may be developed in conjunction with and as a distinct portion of mixed-income  
 322.20 senior housing developments that use a variety of public or private financing sources.

322.21 ~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or  
 322.22 coordinates with linkages to services necessary for residents to maintain housing stability  
 322.23 and maximize opportunities for education and employment.

322.24 Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

322.25 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate  
 322.26 principal amount of housing infrastructure bonds in one or more series to which the payment  
 322.27 made under this section may be pledged. The housing infrastructure bonds authorized in  
 322.28 this subdivision may be issued to fund loans or grants for the purposes of clause (4), on  
 322.29 terms and conditions the agency deems appropriate, made for one or more of the following  
 322.30 purposes:

322.31 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive  
 322.32 housing for individuals and families who are without a permanent residence;

323.1 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
323.2 housing to be used for affordable rental housing and the costs of new construction of rental  
323.3 housing on abandoned or foreclosed property where the existing structures will be demolished  
323.4 or removed;

323.5 (3) to finance that portion of the costs of acquisition of property that is attributable to  
323.6 the land to be leased by community land trusts to low- and moderate-income homebuyers;  
323.7 ~~and~~

323.8 (4) to finance that portion of the acquisition, improvement, and infrastructure of  
323.9 manufactured home parks under section 462A.2035, subdivision 1b, that is attributable to  
323.10 land to be leased to low- and moderate-income manufactured home owners;

323.11 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
323.12 of senior housing; and

323.13 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental  
323.14 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation  
323.15 of federally assisted rental housing, including providing funds to refund, in whole or in part,  
323.16 outstanding bonds previously issued by the agency or another government unit to finance  
323.17 or refinance such costs.

323.18 (b) Among comparable proposals for permanent supportive housing, preference shall  
323.19 be given to permanent supportive housing for veterans and other individuals or families  
323.20 who:

323.21 (1) either have been without a permanent residence for at least 12 months or at least four  
323.22 times in the last three years; or

323.23 (2) are at significant risk of lacking a permanent residence for 12 months or at least four  
323.24 times in the last three years.

323.25 (c) Among comparable proposals for senior housing, the agency must give priority to  
323.26 requests for projects that:

323.27 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
323.28 seniors;

323.29 (2) leverage other sources of funding to finance the project, including the use of  
323.30 low-income housing tax credits;

323.31 (3) provide access to services to residents and demonstrate the ability to increase physical  
323.32 supports and support services as residents age and experience increasing levels of disability;

324.1 (4) provide a service plan containing the elements of clause (3) reviewed by the housing  
324.2 authority, economic development authority, public housing authority, or community  
324.3 development agency that has an area of operation for the jurisdiction in which the project  
324.4 is located; and

324.5 (5) include households with incomes that do not exceed 30 percent of the median  
324.6 household income for the metropolitan area.

324.7 To the extent practicable, the agency shall balance the loans made between projects in the  
324.8 metropolitan area and projects outside the metropolitan area. Of the loans made to projects  
324.9 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans  
324.10 made between projects in counties or cities with a population of 20,000 or less, as established  
324.11 by the most recent decennial census, and projects in counties or cities with populations in  
324.12 excess of 20,000.

324.13 Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
324.14 to read:

324.15 Subd. 30. **Preservation project.** "Preservation project" means any residential rental  
324.16 project, regardless of whether or not the project is restricted to persons of a certain age or  
324.17 older that receive federal project-based rental subsidies. In addition, to qualify as a  
324.18 preservation project, the amount of bonds requested in the application must not exceed the  
324.19 aggregate bond limitation.

324.20 Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
324.21 to read:

324.22 Subd. 31. **30 percent AMI residential rental project.** "30 percent AMI residential  
324.23 rental project" means a residential rental project that does not otherwise qualify as a  
324.24 preservation project, is expected to generate low-income housing tax credits under section  
324.25 42 of the Internal Revenue Code from 100 percent of its residential units, and: (1) in which  
324.26 all the residential units of the project: (i) are reserved for tenants whose income, on average  
324.27 is 30 percent of AMI or less; (ii) are rent restricted in accordance with section 42(g)(2) of  
324.28 the Internal Revenue Code; and (iii) are subject to the rent and income restrictions for a  
324.29 period of not less than 30 years; or (2)(i) is located within a home rule charter or statutory  
324.30 city located outside of the metropolitan area as defined in section 473.121, subdivision 2,  
324.31 with a population exceeding 500; a community that has a combined population of 1,500  
324.32 residents located within 15 miles of a home rule charter or statutory city located outside the  
324.33 metropolitan area as defined in section 473.121, subdivision 2, and that has a current area

325.1 median gross income that is less than the statewide area median income for the state of  
325.2 Minnesota; (ii) all of the units of the project are rent restricted in accordance with section  
325.3 42(g)(2) of the Internal Revenue Code; and (iii) all of the units of the project are subject to  
325.4 the applicable rent and income restrictions for a period of not less than 30 years. In addition,  
325.5 to qualify as a 30 percent AMI residential rental project, the amount of bonds requested in  
325.6 the application must not exceed the aggregate bond limitation. For purposes of this  
325.7 subdivision, "on average" means the average of the applicable income limitation level for  
325.8 a project determined on a unit-by-unit basis e.g., a project with one-half of its units subject  
325.9 to income limitations of not greater than 20 percent AMI and one-half subject to income  
325.10 limitations of not greater than 40 percent AMI would be subject to an income limitation on  
325.11 average of not greater than 30 percent AMI.

325.12 Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
325.13 to read:

325.14 Subd. 32. **50 percent AMI residential rental project.** "50 percent AMI residential  
325.15 rental project" means a residential rental project that does not qualify as a preservation  
325.16 project or a 30 percent AMI residential rental project, is expected to generate low-income  
325.17 housing tax credits under section 42 of the Internal Revenue Code from 100 percent of its  
325.18 residential units, and in which all the residential units of the project: (1) are reserved for  
325.19 tenants whose income on average is 50 percent of AMI or less; (2) are rent restricted in  
325.20 accordance with section 42(g)(2) of the Internal Revenue Code; and (3) are subject to the  
325.21 rent and income restrictions for a period of not less than 30 years. In addition, to qualify as  
325.22 a 50 percent AMI residential rental project, the amount of bonds requested in the application  
325.23 must not exceed the aggregate bond limitation. For purposes of this subdivision, "on average"  
325.24 means the average of the applicable income limitation level for a project determined on a  
325.25 unit-by-unit basis e.g., a project with one-half of its units subject to income limitations of  
325.26 not greater than 40 percent AMI and one-half subject to income limitations of not greater  
325.27 than 60 percent AMI would be subject to an income limitation on average of not greater  
325.28 than 50 percent AMI.

325.29 Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
325.30 to read:

325.31 Subd. 33. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential  
325.32 rental project that is expected to generate low-income housing tax credits under section 42  
325.33 of the Internal Revenue Code from 100 percent of its residential units and does not otherwise  
325.34 qualify as a preservation project, a 30 percent AMI residential rental project, or a 50 percent

326.1 AMI residential rental project. In addition, to qualify as a 100 percent LIHTC project, the  
326.2 amount of bonds requested in the application must not exceed the aggregate bond limitation.

326.3 Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
326.4 to read:

326.5 Subd. 34. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential  
326.6 rental project that is expected to generate low-income housing tax credits under section 42  
326.7 of the Internal Revenue Code from at least 20 percent of its residential units and does not  
326.8 otherwise qualify as a preservation project, a 30 percent AMI residential rental project, a  
326.9 50 percent AMI residential rental project, or a 100 percent LIHTC project. In addition, to  
326.10 qualify as a 20 percent LIHTC project, the amount of bonds requested in the application  
326.11 must not exceed the aggregate bond limitation.

326.12 Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
326.13 to read:

326.14 Subd. 35. **AMI.** "AMI" means the area median income for the applicable county or  
326.15 metropolitan area as published by the Department of Housing and Urban Development, as  
326.16 adjusted for household size.

326.17 Sec. 21. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
326.18 to read:

326.19 Subd. 36. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55  
326.20 percent of the reasonably expected aggregate basis of a residential rental project and the  
326.21 land on which the project is or will be located.

326.22 Sec. 22. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

326.23 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar  
326.24 year ~~after December 31, 2001~~, the commissioner shall determine the aggregate dollar amount  
326.25 of the annual volume cap under federal tax law for the calendar year, and of this amount  
326.26 the commissioner shall make the following allocation:

326.27 (1) \$74,530,000 to the small issue pool;

326.28 (2) \$122,060,000 to the housing pool, of which 31 percent of the adjusted allocation is  
326.29 reserved until the last Monday in ~~July~~ June for single-family housing programs;

326.30 (3) \$12,750,000 to the public facilities pool; and

327.1 (4) amounts to be allocated as provided in subdivision 2a.

327.2 If the annual volume cap is greater or less than the amount of bonding authority allocated  
327.3 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation  
327.4 must be adjusted so that each adjusted allocation is the same percentage of the annual volume  
327.5 cap as each original allocation is of the total bonding authority originally allocated.

327.6 Sec. 23. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

327.7 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer  
327.8 before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on  
327.9 or after ~~July~~ June 15 shall be reallocated through the unified pool. An amount returned after  
327.10 the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

327.11 Sec. 24. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

327.12 Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the  
327.13 developer of the project for which the bond proceeds will be used must enter into a 15-year  
327.14 agreement with the issuer that specifies the maximum rental rates of the rent-restricted units  
327.15 in the project and the income levels of the residents of the project occupying income-restricted  
327.16 units and in which the developer will agree to maintain the project as a preservation project,  
327.17 a 30 percent AMI residential rental project, a 50 percent AMI residential rental project, a  
327.18 100 percent LIHTC project, or a 20 percent LIHTC project, as applicable and as described  
327.19 in its application. ~~Such~~ The rental rates and income levels must be within the limitations  
327.20 established under subdivision 1. The developer must annually certify to the issuer over the  
327.21 term of the agreement that the rental rates for the rent-restricted units are within the  
327.22 limitations under subdivision 1. The issuer may request individual certification of the income  
327.23 of residents of the income-restricted units. The commissioner may request from the issuer  
327.24 a copy of the annual certification prepared by the developer. The commissioner may require  
327.25 the issuer to request individual certification of all residents of the income-restricted units.

327.26 Sec. 25. Minnesota Statutes 2016, section 474A.061, subdivision 1, is amended to read:

327.27 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)  
327.28 For any requested allocations from the small issue pool or the public facilities pool, an issuer  
327.29 may apply for an allocation under this section by submitting to the department an application  
327.30 on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a  
327.31 statement of bond counsel that the proposed issue of obligations requires an allocation under  
327.32 this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4)

328.1 an application deposit in the amount of one percent of the requested allocation before the  
 328.2 last Monday in ~~July~~ June, or in the amount of two percent of the requested allocation on or  
 328.3 after the last Monday in ~~July, June;~~ and (5) a public purpose scoring worksheet for  
 328.4 manufacturing project and enterprise zone facility project applications, ~~and (6) for residential~~  
 328.5 ~~rental projects, a statement from the applicant or bond counsel as to whether the project~~  
 328.6 ~~preserves existing federally subsidized housing for residential rental project applications~~  
 328.7 ~~and whether the project is restricted to persons who are 55 years of age or older.~~ The issuer  
 328.8 must pay the application deposit by a check made payable to the Department of Management  
 328.9 and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural Finance  
 328.10 Authority, and the Minnesota Office of Higher Education may apply for and receive an  
 328.11 allocation under this section without submitting an application deposit.

328.12 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~  
 328.13 under this subdivision unless it has either permanently issued bonds equal to the amount of  
 328.14 its entitlement allocation for the current year plus any amount of bonding authority carried  
 328.15 forward from previous years or returned for reallocation all of its unused entitlement  
 328.16 allocation. For purposes of this subdivision, an entitlement allocation includes an amount  
 328.17 obtained under section 474A.04, subdivision 6.

328.18 ~~An entitlement issuer may not apply for an allocation from the housing pool unless it~~  
 328.19 ~~either has permanently issued bonds equal to any amount of bonding authority carried~~  
 328.20 ~~forward from a previous year or has returned for reallocation any unused bonding authority~~  
 328.21 ~~carried forward from a previous year. For purposes of this subdivision, its entitlement~~  
 328.22 ~~allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph~~  
 328.23 ~~does not apply to an application from the Minnesota Housing Finance Agency for an~~  
 328.24 ~~allocation under subdivision 2a for cities who choose to have the agency issue bonds on~~  
 328.25 ~~their behalf.~~

328.26 (c) If an application is rejected under this section, the commissioner must notify the  
 328.27 applicant and return the application deposit to the applicant within 30 days unless the  
 328.28 applicant requests in writing that the application be resubmitted. The granting of an allocation  
 328.29 of bonding authority under this section must be evidenced by a certificate of allocation.

328.30 Sec. 26. Minnesota Statutes 2016, section 474A.061, is amended by adding a subdivision  
 328.31 to read:

328.32 Subd. 1a. **Allocation application; housing pool.** (a) For any requested allocations from  
 328.33 the housing pool, an issuer may apply for an allocation under this section by submitting to  
 328.34 the department an application on forms provided by the department, accompanied by: (1)

329.1 a preliminary resolution; (2) a statement of bond counsel that the proposed issue of  
 329.2 obligations requires an allocation under this chapter and the Internal Revenue Code; (3) an  
 329.3 application deposit in the amount of two percent of the requested allocation; (4) a sworn  
 329.4 statement from the applicant identifying the project as either a preservation project, a 30  
 329.5 percent AMI residential rental project, a 50 percent AMI residential rental project, a 100  
 329.6 percent LIHTC project, a 20 percent LIHTC project, or any other residential rental project;  
 329.7 and (5) a certification from the applicant or the applicant's accountant stating whether the  
 329.8 requested allocation exceeds the aggregate bond limitation. The issuer must pay the  
 329.9 application deposit by a check made payable to the Department of Management and Budget.  
 329.10 The Minnesota Housing Finance Agency may apply for and receive an allocation under this  
 329.11 section without submitting an application deposit.

329.12 (b) An entitlement issuer may not apply for an allocation from the housing pool unless  
 329.13 it has either permanently issued bonds equal to any amount of bonding authority carried  
 329.14 forward from a previous year or returned for reallocation any unused bonding authority  
 329.15 carried forward from a previous year. For purposes of this subdivision, an entitlement  
 329.16 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph  
 329.17 does not apply to an application from the Minnesota Housing Finance Agency for an  
 329.18 allocation under subdivision 2a for cities that choose to have the agency issue bonds on  
 329.19 their behalf.

329.20 (c) If an application is rejected under this section, the commissioner must notify the  
 329.21 applicant and return the application deposit to the applicant within 30 days unless the  
 329.22 applicant requests in writing that the application be resubmitted. The granting of an allocation  
 329.23 of bonding authority under this section must be evidenced by a certificate of allocation.

329.24 Sec. 27. Minnesota Statutes 2016, section 474A.061, subdivision 2a, is amended to read:

329.25 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January  
 329.26 and continuing on each Monday through ~~July 15~~ June 15, the commissioner shall allocate  
 329.27 available bonding authority from the housing pool to applications received on or before the  
 329.28 Monday of the preceding week for residential rental projects that meet the eligibility criteria  
 329.29 under section 474A.047. Allocations of available bonding authority from the housing pool  
 329.30 for eligible residential rental projects shall be awarded in the following order of priority:  
 329.31 ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not~~  
 329.32 ~~restricted to persons who are 55 years of age or older; and~~ preservation projects; (2) 30  
 329.33 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4)  
 329.34 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental

330.1 projects. ~~Prior to May 15, no allocation shall be made to a project restricted to persons who~~  
330.2 ~~are 55 years of age or older. If an~~ for which the amount of bonds requested in their respective  
330.3 applications do not exceed the aggregate bond limitation. If there are two or more applications  
330.4 for residential rental projects at the same priority level and there is insufficient bonding  
330.5 authority to provide allocations for all the projects in any one allocation period, available  
330.6 bonding authority shall be randomly awarded by lot but only for projects that can receive  
330.7 the full amount of their respective requested allocations. If a residential rental project does  
330.8 not receive any of its requested allocation pursuant to this paragraph, the remaining bonding  
330.9 authority not allocated to the project shall be reserved by the commissioner, or by the  
330.10 Minnesota Housing Financing Agency if the authority is carried forward pursuant to section  
330.11 474A.131, for the project for up to 24 months thereafter, and if the project applies in the  
330.12 future to the housing pool or unified pool for additional allocation of bonds, the project  
330.13 shall be fully funded up to the remaining amount of its original application request for  
330.14 bonding authority before any new project, applying in the same allocation period, that has  
330.15 an equal priority shall receive bonding authority. An issuer that receives an allocation under  
330.16 ~~this paragraph does not issue obligations equal to all or a portion of the allocation received~~  
330.17 ~~within 120 days of the allocation~~ must issue obligations equal to all or a portion of the  
330.18 allocation received on or before the later of 180 days of the allocation or within 18 months  
330.19 after the allocation date if the applicant submits an additional application deposit equal to  
330.20 one percent of the allocation amount on or prior to 180 days after the allocation date. If an  
330.21 issuer that receives an allocation under this paragraph does not issue obligations equal to  
330.22 all or a portion of the allocation received within the time period provided in this paragraph  
330.23 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
330.24 returned for reallocation through the housing pool or to the unified pool after July 15. 1. If  
330.25 an issuer that receives an allocation under this paragraph issues obligations within the time  
330.26 period provided in this paragraph, the commissioner shall refund 50 percent of any application  
330.27 deposit previously paid within 30 days of the issuance of the obligations and the remaining  
330.28 50 percent of the application deposit: (i) within 30 days after the date on which IRS Form  
330.29 8609(s) are issued with respect to projects generating low-income housing tax credits; or  
330.30 (ii) within 90 days after the issuer provides a certification and any other reasonable  
330.31 documentation requested by the commissioner evidencing that construction of the project  
330.32 has been completed.

330.33 (b) After January 1, and through January 15, the Minnesota Housing Finance Agency  
330.34 may accept applications from cities for single-family housing programs which meet program  
330.35 requirements as follows:

331.1 (1) the housing program must meet a locally identified housing need and be economically  
331.2 viable;

331.3 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of  
331.4 ~~statewide or area median income as published by the Department of Housing and Urban~~  
331.5 ~~Development, adjusted for household size~~ AMI;

331.6 (3) house price limits may not exceed the federal price limits established for mortgage  
331.7 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,  
331.8 household size, and race of the households served in the previous year's single-family  
331.9 housing program, if any, must be included in each application; and

331.10 (4) for applicants who choose to have the agency issue bonds on their behalf, an  
331.11 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal  
331.12 to one percent of the requested allocation must be submitted to the Minnesota Housing  
331.13 Finance Agency before the agency forwards the list specifying the amounts allocated to the  
331.14 commissioner under paragraph (d). The agency shall submit the city's application fee and  
331.15 application deposit to the commissioner when requesting an allocation from the housing  
331.16 pool.

331.17 Applications by a consortium shall include the name of each member of the consortium  
331.18 and the amount of allocation requested by each member.

331.19 (c) Any amounts remaining in the housing pool after ~~July~~ June 15 are available for  
331.20 single-family housing programs for cities that applied in January and received an allocation  
331.21 under this section in the same calendar year. For a city that chooses to issue bonds on its  
331.22 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding  
331.23 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by  
331.24 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing  
331.25 Finance Agency issues bonds.

331.26 Any city that received an allocation pursuant to paragraph (f) in the same calendar year  
331.27 that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an  
331.28 amount becoming available for single-family housing programs after ~~July~~ June 15 shall  
331.29 notify the Minnesota Housing Finance Agency by ~~July~~ June 15. The Minnesota Housing  
331.30 Finance Agency shall notify each city making a request of the amount of its allocation within  
331.31 three business days after ~~July~~ June 15. The city must comply with paragraph (f).

331.32 For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local  
331.33 government units that agree through a joint powers agreement to apply together for

332.1 single-family housing programs, and has the meaning given it in section 462C.02, subdivision  
332.2 6. "Agency" means the Minnesota Housing Finance Agency.

332.3 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser  
332.4 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage  
332.5 bonds from the housing pool, multiplied by the ratio of each applicant's population as  
332.6 determined by the most recent estimate of the city's population released by the state  
332.7 demographer's office to the total of all the applicants' population, except that each applicant  
332.8 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount  
332.9 determined under the formula in clause (ii). If a city applying for an allocation is located  
332.10 within a county that has also applied for an allocation, the city's population will be deducted  
332.11 from the county's population in calculating the amount of allocations under this paragraph.

332.12 Upon determining the amount of each applicant's allocation, the agency shall forward  
332.13 to the commissioner a list specifying the amounts allotted to each application with all  
332.14 application fees and deposits from applicants who choose to have the agency issue bonds  
332.15 on their behalf.

332.16 Total allocations from the housing pool for single-family housing programs may not  
332.17 exceed 31 percent of the adjusted allocation to the housing pool until after ~~July~~ June 15.

332.18 (e) The agency may issue bonds on behalf of participating cities. The agency shall request  
332.19 an allocation from the commissioner for all applicants who choose to have the agency issue  
332.20 bonds on their behalf and the commissioner shall allocate the requested amount to the  
332.21 agency. The agency may request an allocation at any time after the second Tuesday in  
332.22 January and through the last Monday in ~~July~~ June. After awarding an allocation and receiving  
332.23 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the  
332.24 commissioner shall transfer the application deposits to the Minnesota Housing Finance  
332.25 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency  
332.26 shall return any application deposit to a city that paid an application deposit under paragraph  
332.27 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph  
332.28 (d).

332.29 (f) A city may choose to issue bonds on its own behalf or through a joint powers  
332.30 agreement and may request an allocation from the commissioner by forwarding an application  
332.31 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent  
332.32 application deposit to the commissioner no later than the Monday of the week preceding  
332.33 an allocation. If the total amount requested by all applicants exceeds the amount available  
332.34 in the pool, the city may not receive a greater allocation than the amount it would have

333.1 received under the list forwarded by the Minnesota Housing Finance Agency to the  
333.2 commissioner. No city may request or receive an allocation from the commissioner until  
333.3 the list under paragraph (d) has been forwarded to the commissioner. A city must request  
333.4 an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city  
333.5 may receive an allocation from the housing pool for mortgage bonds which has not first  
333.6 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the  
333.7 requested amount to the city or cities subject to the limitations under this paragraph.

333.8 If a city issues mortgage bonds from an allocation received under this paragraph, the  
333.9 issuer must provide for the recycling of funds into new loans. If the issuer is not able to  
333.10 provide for recycling, the issuer must notify the commissioner in writing of the reason that  
333.11 recycling was not possible and the reason the issuer elected not to have the Minnesota  
333.12 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated  
333.13 from the repayment and prepayment of loans for further eligible loans or for the redemption  
333.14 of bonds and the issuance of current refunding bonds.

333.15 (g) No entitlement city or county or city in an entitlement county may apply for or be  
333.16 allocated authority to issue mortgage bonds or use mortgage credit certificates from the  
333.17 housing pool. No city in an entitlement county may apply for or be allocated authority to  
333.18 issue residential rental bonds from the housing pool or the unified pool.

333.19 (h) A city that does not use at least 50 percent of its allotment by the date applications  
333.20 are due for the first allocation that is made from the housing pool for single-family housing  
333.21 programs in the immediately succeeding calendar year may not apply to the housing pool  
333.22 for a single-family mortgage bond or mortgage credit certificate program allocation that  
333.23 exceeds the amount of its allotment for the preceding year that was used by the city in the  
333.24 immediately preceding year or receive an allotment from the housing pool in the succeeding  
333.25 calendar year that exceeds the amount of its allotment for the preceding year that was used  
333.26 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to  
333.27 ~~July~~ June 15, regardless of the amount used in the preceding calendar year, except that a  
333.28 city whose allocation in the preceding year was the minimum amount of \$100,000 and who  
333.29 did not use at least 50 percent of its allocation from the preceding year is ineligible for an  
333.30 allocation in the immediate succeeding calendar year. Each local government unit in a  
333.31 consortium must meet the requirements of this paragraph.

333.32 Sec. 28. Minnesota Statutes 2016, section 474A.061, subdivision 2b, is amended to read:

333.33 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January  
333.34 and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner

334.1 shall allocate available bonding authority from the small issue pool to applications received  
 334.2 on or before the Monday of the preceding week for manufacturing projects and enterprise  
 334.3 zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~  
 334.4 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from  
 334.5 the small issue pool for applications for agricultural development bond loan projects of the  
 334.6 Minnesota Rural Finance Authority.

334.7 ~~Beginning in calendar year 2002,~~ On the second Tuesday in January through the last  
 334.8 Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding  
 334.9 authority in the small issue pool for applications for student loan bonds of or on behalf of  
 334.10 the Minnesota Office of Higher Education. The total amount of allocations for student loan  
 334.11 bonds from the small issue pool may not exceed \$10,000,000 per year.

334.12 The commissioner shall reserve \$10,000,000 until the day after the last Monday in  
 334.13 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until  
 334.14 the day after the last Monday in June in the small issue pool for enterprise zone facility  
 334.15 projects and manufacturing projects. The amount of allocation provided to an issuer for a  
 334.16 specific enterprise zone facility project or manufacturing project will be based on the number  
 334.17 of points received for the proposed project under the scoring system under section 474A.045.

334.18 If there are two or more applications for manufacturing and enterprise zone facility  
 334.19 projects from the small issue pool and there is insufficient bonding authority to provide  
 334.20 allocations for all projects in any one week, the available bonding authority shall be awarded  
 334.21 based on the number of points awarded a project under section 474A.045, with those projects  
 334.22 receiving the greatest number of points receiving allocation first. If two or more applications  
 334.23 receive an equal number of points, available bonding authority shall be awarded by lot  
 334.24 unless otherwise agreed to by the respective issuers.

334.25 Sec. 29. Minnesota Statutes 2016, section 474A.061, subdivision 2c, is amended to read:

334.26 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and  
 334.27 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the  
 334.28 available bonding authority from the public facilities pool for applications for public facilities  
 334.29 projects to be financed by the Western Lake Superior Sanitary District. Commencing on  
 334.30 the second Tuesday in January and continuing on each Monday through the last Monday  
 334.31 in ~~July~~ June, the commissioner shall allocate available bonding authority from the public  
 334.32 facilities pool to applications for eligible public facilities projects received on or before the  
 334.33 Monday of the preceding week. If there are two or more applications for public facilities  
 334.34 projects from the pool and there is insufficient available bonding authority to provide

335.1 allocations for all projects in any one week, the available bonding authority shall be awarded  
335.2 by lot unless otherwise agreed to by the respective issuers.

335.3 Sec. 30. Minnesota Statutes 2016, section 474A.061, subdivision 4, is amended to read:

335.4 Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities**  
335.5 **pool.** (a) For any requested allocations from the small issue pool or the public facilities  
335.6 pool, if an issuer that receives an allocation under this section determines that it will not  
335.7 issue obligations equal to all or a portion of the allocation received under this section within  
335.8 120 days of allocation or within the time period permitted by federal tax law, whichever is  
335.9 less, the issuer must notify the department. If the issuer notifies the department or the 120-day  
335.10 period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of  
335.11 allocation is canceled and returned for reallocation through the pool from which it was  
335.12 originally allocated. If the issuer notifies the department or the 120-day period since allocation  
335.13 has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled  
335.14 and returned for reallocation through the unified pool. If the issuer notifies the department  
335.15 after the last Monday in November, the amount of allocation is canceled and returned for  
335.16 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive  
335.17 application process, the commissioner shall reserve, for new applications, the amount of  
335.18 allocation that is canceled and returned for reallocation under this section for a minimum  
335.19 of seven calendar days.

335.20 (b) An issuer that returns for reallocation all or a portion of an allocation received under  
335.21 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund  
335.22 equal to:

335.23 (1) one-half of the application deposit for the amount of bonding authority returned  
335.24 within 30 days of receiving allocation;

335.25 (2) one-fourth of the application deposit for the amount of bonding authority returned  
335.26 between 31 and 60 days of receiving allocation; and

335.27 (3) one-eighth of the application deposit for the amount of bonding authority returned  
335.28 between 61 and 120 days of receiving allocation.

335.29 (c) No refund shall be available for allocations returned 120 or more days after receiving  
335.30 the allocation or beyond the last Monday in November.

336.1 Sec. 31. Minnesota Statutes 2016, section 474A.061, is amended by adding a subdivision  
336.2 to read:

336.3 Subd. 7. **Return of allocation; deposit refund for housing pool.** (a) For any requested  
336.4 allocations from the housing pool, if an issuer that receives an allocation under this section  
336.5 determines that it will not issue obligations equal to all or a portion of the allocation received  
336.6 under this section within the time period provided under section 474A.061, subdivision 2a,  
336.7 paragraph (a), or within the time period permitted by federal tax law, whichever is less, the  
336.8 issuer must notify the department. If the issuer notifies the department or the time period  
336.9 provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the  
336.10 last Monday in June, the amount of allocation is canceled and returned for reallocation  
336.11 through the pool from which it was originally allocated. If the issuer notifies the department  
336.12 or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has  
336.13 expired on or after the last Monday in June, the amount of allocation is canceled and returned  
336.14 for reallocation through the unified pool. If the issuer notifies the department after the last  
336.15 Monday in November, the amount of allocation is canceled and returned for reallocation  
336.16 to the Minnesota Housing Finance Agency. To encourage a competitive application process,  
336.17 the commissioner shall reserve, for new applications, the amount of allocation that is canceled  
336.18 and returned for reallocation under this section for a minimum of seven calendar days.

336.19 (b) An issuer that returns for reallocation all or a portion of an allocation received under  
336.20 this subdivision within 180 days of allocation shall receive within 30 days a refund equal  
336.21 to:

336.22 (1) one-half of the application deposit for the amount of bonding authority returned  
336.23 within 45 days of receiving allocation;

336.24 (2) one-fourth of the application deposit for the amount of bonding authority returned  
336.25 between 46 and 90 days of receiving allocation; and

336.26 (3) one-eighth of the application deposit for the amount of bonding authority returned  
336.27 between 91 and 180 days of receiving allocation.

336.28 (c) No refund shall be available for allocations returned 180 or more days after receiving  
336.29 the allocation or beyond the last Monday in November.

336.30 Sec. 32. Minnesota Statutes 2016, section 474A.062, is amended to read:

336.31 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION 120-DAY ISSUANCE**  
336.32 **EXEMPTION.**

337.1 The Minnesota Office of Higher Education is exempt from ~~the 120-day~~ any time  
 337.2 limitation on issuance requirements of bonds set forth in this chapter and may carry forward  
 337.3 allocations for student loan bonds, subject to carryforward notice requirements of section  
 337.4 474A.131, subdivision 2.

337.5 Sec. 33. Minnesota Statutes 2016, section 474A.091, subdivision 1, is amended to read:

337.6 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any  
 337.7 bonding authority remaining unallocated from the small issue pool, the housing pool, and  
 337.8 the public facilities pool is transferred to the unified pool and must be reallocated as provided  
 337.9 in this section.

337.10 Sec. 34. Minnesota Statutes 2016, section 474A.091, subdivision 2, is amended to read:

337.11 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an  
 337.12 allocation ~~under this section by submitting to the department an application on forms provided~~  
 337.13 ~~by the department accompanied by (1) a preliminary resolution, (2) a statement of bond~~  
 337.14 ~~counsel that the proposed issue of obligations requires an allocation under this chapter and~~  
 337.15 ~~the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application~~  
 337.16 ~~deposit in the amount of two percent of the requested allocation, (5) a public purpose scoring~~  
 337.17 ~~worksheet for manufacturing and enterprise zone applications, and (6) for residential rental~~  
 337.18 ~~projects, a statement from the applicant or bond counsel as to whether the project preserves~~  
 337.19 ~~existing federally subsidized housing and whether the project is restricted to persons who~~  
 337.20 ~~are 55 years of age or older. The issuer must pay the application deposit by check. An~~  
 337.21 ~~entitlement issuer may not apply for an allocation for public facility bonds, residential rental~~  
 337.22 ~~project bonds, or mortgage bonds under this section unless it has either permanently issued~~  
 337.23 ~~bonds equal to the amount of its entitlement allocation for the current year plus any amount~~  
 337.24 ~~carried forward from previous years or returned for reallocation all of its unused entitlement~~  
 337.25 ~~allocation. For purposes of this subdivision, its entitlement allocation includes an amount~~  
 337.26 ~~obtained under section 474A.04, subdivision 6.~~

337.27 ~~Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,~~  
 337.28 ~~the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds~~  
 337.29 ~~under this section prior to the first Monday in October, but may be awarded allocations for~~  
 337.30 ~~mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota~~  
 337.31 ~~Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota~~  
 337.32 ~~Rural Finance Authority may apply for and receive an allocation under this section without~~  
 337.33 ~~submitting an application deposit.~~ for residential rental bonds under this section by submitting

338.1 to the department an application on forms provided by the department accompanied by: (1)  
338.2 a preliminary resolution; (2) a statement of bond counsel that the proposed issue of  
338.3 obligations requires an allocation under this chapter and the Internal Revenue Code; (3) an  
338.4 application deposit in the amount of two percent of the requested allocation; (4) a sworn  
338.5 statement from the applicant identifying the project as a preservation project, a 30 percent  
338.6 AMI residential rental project, a 50 percent AMI residential rental project, a 100 percent  
338.7 LIHTC project, a 20 percent LIHTC project, or any other residential rental project; and (5)  
338.8 a certification from the applicant or its accountant stating whether the requested allocation  
338.9 exceeds the aggregate bond limitation. Applications for projects requesting bonds in excess  
338.10 of the aggregate bond limitation may not apply or be allocated bonding authority until after  
338.11 September 1 each year. The issuer must pay the application deposit by check. An entitlement  
338.12 issuer may not apply for an allocation for residential rental bonds under this section unless  
338.13 it has either permanently issued bonds equal to the amount of its entitlement allocation for  
338.14 the current year plus any amount carried forward from previous years or returned for  
338.15 reallocation all of its unused entitlement allocation. For purposes of this subdivision, an  
338.16 entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

338.17 (b) An issuer that receives an allocation under this subdivision must issue obligations  
338.18 equal to all or a portion of the allocation received on or before the later of 180 days of the  
338.19 allocation or within 18 months after the allocation date if the applicant submits an additional  
338.20 application deposit equal to one percent of the allocation amount on or prior to 180 days  
338.21 after the allocation date. If an issuer that receives an allocation under this subdivision does  
338.22 not issue obligations equal to all or a portion of the allocation received within the time  
338.23 period provided in this paragraph or returns the allocation to the commissioner, the amount  
338.24 of the allocation is canceled and returned for reallocation through the unified pool. If an  
338.25 issuer that receives an allocation under this subdivision issues obligations within the time  
338.26 period provided in this paragraph, the commissioner shall refund 50 percent of any application  
338.27 deposit previously paid: (i) within 30 days after the date on which IRS Form 8609(s) are  
338.28 issued with respect to projects generating low-income housing tax credits; or (ii) within 90  
338.29 days after the issuer provides a certification and any other reasonable documentation  
338.30 requested by the commissioner evidencing that construction of the project has been  
338.31 completed. The obligations and the remaining 50 percent of the application deposit within  
338.32 30 days after completion of construction of the project.

338.33 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
338.34 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds  
338.35 under this section prior to the first Monday in October, but may be awarded allocations for

339.1 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
339.2 Housing Finance Agency may apply for and receive an allocation under this section without  
339.3 submitting an application deposit.

339.4 Sec. 35. Minnesota Statutes 2016, section 474A.091, is amended by adding a subdivision  
339.5 to read:

339.6 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply  
339.7 for an allocation for all types of qualified bonds other than residential rental bonds under  
339.8 this section by submitting to the department an application on forms provided by the  
339.9 department accompanied by: (1) a preliminary resolution; (2) a statement of bond counsel  
339.10 that the proposed issue of obligations requires an allocation under this chapter and the  
339.11 Internal Revenue Code; (3) the type of qualified bonds to be issued; (4) an application  
339.12 deposit in the amount of two percent of the requested allocation; and (5) a public purpose  
339.13 scoring worksheet for manufacturing and enterprise zone applications. The issuer must pay  
339.14 the application deposit by check. An entitlement issuer may not apply for an allocation for  
339.15 public facility bonds or mortgage bonds under this section unless it has either permanently  
339.16 issued bonds equal to the amount of its entitlement allocation for the current year plus any  
339.17 amount carried forward from previous years or returned for reallocation all of its unused  
339.18 entitlement allocation. For purposes of this subdivision, an entitlement allocation includes  
339.19 an amount obtained under section 474A.04, subdivision 6.

339.20 (b) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
339.21 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds  
339.22 under this section prior to the first Monday in October, but may be awarded allocations for  
339.23 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
339.24 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota  
339.25 Rural Finance Authority may apply for and receive an allocation under this section without  
339.26 submitting an application deposit.

339.27 Sec. 36. Minnesota Statutes 2016, section 474A.091, subdivision 3, is amended to read:

339.28 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding  
339.29 authority under this section on the Monday of every other week beginning with the first  
339.30 Monday in ~~August~~ July through and on the last Monday in November. Applications for  
339.31 allocations must be received by the department by 4:30 p.m. on the Monday preceding the  
339.32 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation  
339.33 will be made or the applications must be received by the next business day after the holiday.

340.1 (b) Prior to October 1, only the following applications shall be awarded allocations from  
340.2 the unified pool. Allocations shall be awarded in the following order of priority:

340.3 (1) applications for residential rental project bonds;

340.4 (2) applications for small issue bonds for manufacturing projects; and

340.5 (3) applications for small issue bonds for agricultural development bond loan projects.

340.6 (c) On the first Monday in October through the last Monday in November, allocations  
340.7 shall be awarded from the unified pool in the following order of priority:

340.8 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office  
340.9 of Higher Education;

340.10 (2) applications for mortgage bonds;

340.11 (3) applications for public facility projects funded by public facility bonds;

340.12 (4) applications for small issue bonds for manufacturing projects;

340.13 (5) applications for small issue bonds for agricultural development bond loan projects;

340.14 (6) applications for residential rental project bonds;

340.15 (7) applications for enterprise zone facility bonds;

340.16 (8) applications for governmental bonds; and

340.17 (9) applications for redevelopment bonds.

340.18 (d) If there are two or more applications for manufacturing projects from the unified  
340.19 pool and there is insufficient bonding authority to provide allocations for all manufacturing  
340.20 projects in any one allocation period, the available bonding authority shall be awarded based  
340.21 on the number of points awarded a project under section 474A.045 with those projects  
340.22 receiving the greatest number of points receiving allocation first. If two or more applications  
340.23 for manufacturing projects receive an equal amount of points, available bonding authority  
340.24 shall be awarded by lot unless otherwise agreed to by the respective issuers.

340.25 (e) If there are two or more applications for enterprise zone facility projects from the  
340.26 unified pool and there is insufficient bonding authority to provide allocations for all enterprise  
340.27 zone facility projects in any one allocation period, the available bonding authority shall be  
340.28 awarded based on the number of points awarded a project under section 474A.045 with  
340.29 those projects receiving the greatest number of points receiving allocation first. If two or  
340.30 more applications for enterprise zone facility projects receive an equal amount of points,

341.1 available bonding authority shall be awarded by lot unless otherwise agreed to by the  
341.2 respective issuers.

341.3 (f) If there are two or more applications for residential rental projects from the unified  
341.4 pool and there is insufficient bonding authority to provide allocations for all residential  
341.5 rental projects in any one allocation period, the available bonding authority shall be awarded  
341.6 in the following order of priority: ~~(1) projects that preserve existing federally subsidized~~  
341.7 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~  
341.8 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~  
341.9 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~  
341.10 (6) other residential rental projects for which the amount of bonds requested in their  
341.11 respective applications do not exceed the aggregate bond limitation; and (7) other residential  
341.12 rental projects for which the amount of bonds requested in their respective applications  
341.13 exceed the aggregate bond limitation and that apply on or after September 1 of a calendar  
341.14 year. If there are two or more applications for residential rental projects at the same priority  
341.15 level and there is insufficient bonding authority to provide allocations for all the projects  
341.16 in any one allocation period, available bonding authority shall be randomly awarded by lot  
341.17 but only for projects that received the full amount of their respective requested allocations.  
341.18 If a residential rental project does not receive any of its requested allocation pursuant to this  
341.19 paragraph, the remaining bonding authority not allocated to the project shall be reserved  
341.20 by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried  
341.21 forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and  
341.22 if the project applies in the future to the housing pool or unified pool for additional allocation  
341.23 of bonds, the project shall be fully funded up to the remaining amount of its original  
341.24 application request for bonding authority before any new project, applying in the same  
341.25 allocation period, that has an equal priority shall receive bonding authority.

341.26 (g) From the first Monday in ~~August~~ July through the last Monday in November,  
341.27 \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding  
341.28 authority allocated to the small issue pool under section 474A.03, subdivision 1, less the  
341.29 amount allocated to issuers from the small issue pool for that year, whichever is less, is  
341.30 reserved within the unified pool for small issue bonds to the extent ~~such~~ the amounts are  
341.31 available within the unified pool.

341.32 (h) The total amount of allocations for mortgage bonds from the housing pool and the  
341.33 unified pool may not exceed:

341.34 (1) \$10,000,000 for any one city; or

342.1 (2) \$20,000,000 for any number of cities in any one county.

342.2 (i) The total amount of allocations for student loan bonds from the unified pool may not  
342.3 exceed \$25,000,000 per year.

342.4 (j) If there is insufficient bonding authority to fund all projects within any qualified bond  
342.5 category other than enterprise zone facility projects, manufacturing projects, and residential  
342.6 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the  
342.7 respective issuers.

342.8 (k) If an application is rejected, the commissioner must notify the applicant and return  
342.9 the application deposit to the applicant within 30 days unless the applicant requests in writing  
342.10 that the application be resubmitted.

342.11 (l) The granting of an allocation of bonding authority under this section must be evidenced  
342.12 by issuance of a certificate of allocation.

342.13 Sec. 37. Minnesota Statutes 2016, section 474A.091, subdivision 5, is amended to read:

342.14 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation  
342.15 under this section determines that it will not issue obligations equal to all or a portion of  
342.16 the allocation received under this section within ~~120~~ the applicable number of days ~~or after~~  
342.17 the allocation required in this chapter or within the time period permitted by federal tax law,  
342.18 whichever is less, the issuer must notify the department. If the issuer notifies the department  
342.19 or the ~~120-day~~ period since allocation has expired prior to the last Monday in November,  
342.20 the amount of allocation is canceled and returned for reallocation through the unified pool.  
342.21 If the issuer notifies the department on or after the last Monday in November, the amount  
342.22 of allocation is canceled and returned for reallocation to the Minnesota Housing Finance  
342.23 Agency. To encourage a competitive application process, the commissioner shall reserve,  
342.24 for new applications, the amount of allocation that is canceled and returned for reallocation  
342.25 under this section for a minimum of seven calendar days.

342.26 (b) An issuer that returns for reallocation all or a portion of an allocation for all types  
342.27 of bonds other than residential rental project bonds received under this section within 120  
342.28 days of the allocation shall receive within 30 days a refund equal to:

342.29 (1) one-half of the application deposit for the amount of bonding authority returned  
342.30 within 30 days of receiving the allocation;

342.31 (2) one-fourth of the application deposit for the amount of bonding authority returned  
342.32 between 31 and 60 days of receiving the allocation; and

343.1 (3) one-eighth of the application deposit for the amount of bonding authority returned  
 343.2 between 61 and 120 days of receiving the allocation.

343.3 (c) No refund of the application deposit shall be available for allocations returned on or  
 343.4 after the last Monday in November.

343.5 (d) An issuer that returns for reallocation all or a portion of an allocation for residential  
 343.6 rental project bonds received under this section within 180 days of the allocation shall  
 343.7 receive within 30 days a refund equal to:

343.8 (1) one-half of the application deposit for the amount of bonding authority returned  
 343.9 within 45 days of receiving the allocation;

343.10 (2) one-fourth of the application deposit for the amount of bonding authority returned  
 343.11 between 46 and 90 days of receiving the allocation; and

343.12 (3) one-eighth of the application deposit for the amount of bonding authority returned  
 343.13 between 91 and 180 days of receiving the allocation.

343.14 Sec. 38. Minnesota Statutes 2016, section 474A.091, subdivision 6, is amended to read:

343.15 Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of  
 343.16 section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota  
 343.17 Housing Finance Agency on the last business day in December shall be carried forward  
 343.18 into the next calendar year by the commissioner for the Minnesota Housing Finance Agency.  
 343.19 Any authority carried forward shall be allocated to utilize the authority that is closest to  
 343.20 expiring first, and in all events, the Minnesota Housing Finance Agency shall allocate its  
 343.21 bonding authority to utilize the authority carried forward prior to any current year's allocation.

343.22 Sec. 39. Minnesota Statutes 2016, section 474A.131, subdivision 1, is amended to read:

343.23 Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received  
 343.24 under this chapter shall provide a notice of issue to the department on forms provided by  
 343.25 the department stating:

343.26 (1) the date of issuance of the bonds;

343.27 (2) the title of the issue;

343.28 (3) the principal amount of the bonds;

343.29 (4) the type of qualified bonds under federal tax law;

344.1 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;  
344.2 and

344.3 (6) for entitlement issuers, whether the allocation is from current year entitlement  
344.4 authority or is from carryforward authority.

344.5 For obligations that are issued as a part of a series of obligations, a notice must be  
344.6 provided for each series. A penalty of one-half of the amount of the application deposit not  
344.7 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not  
344.8 provided to the department within five business days after issuance or before 4:30 p.m. on  
344.9 the last business day in December, whichever occurs first. Within 30 days after receipt of  
344.10 a notice of issue the department shall refund a portion of the application deposit equal to  
344.11 one percent of the amount of the bonding authority actually issued if a one percent application  
344.12 deposit was made, or equal to two percent of the amount of the bonding authority actually  
344.13 issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

344.14 Sec. 40. Minnesota Statutes 2016, section 474A.131, subdivision 1b, is amended to read:

344.15 Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the  
344.16 department before 4:30 p.m. on the last business day in December of issuance of obligations  
344.17 pursuant to an allocation received for any qualified bond project or issuance of an entitlement  
344.18 allocation other than those involving residential rental bonds, the allocation is canceled and  
344.19 the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward  
344.20 by the commissioner under section 474A.091, subdivision 6.

344.21 (b) With respect to: (1) an allocation received for a residential rental project for which  
344.22 the obligations have not been issued before 4:30 p.m. on the last business day in December  
344.23 and the time period for issuance of the obligations provided under section 474A.061,  
344.24 subdivision 2a, or 474A.091, subdivision 2a, as applicable, has not expired; and (2) bonding  
344.25 authority reserved for a project for up to 24 months under section 474A.061, subdivision  
344.26 2a, or section 474A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the last business  
344.27 day of December, the bonding authority shall be allocated to the Minnesota Housing Finance  
344.28 Agency for carryforward by the commissioner under section 474A.091, subdivision 6;  
344.29 provided, however, that the allocation shall remain reserved by the Minnesota Housing  
344.30 Finance Agency for the residential rental project described in the original application and  
344.31 the Minnesota Housing Finance Agency will have the fiduciary duty to issue the bonds as  
344.32 intended by the originally intended issuer. In addition, any obligations issued by the  
344.33 Minnesota Housing Finance Agency for a residential rental project that is subject to this

345.1 paragraph shall not be subject to the debt management policies of the Minnesota Housing  
345.2 Finance Agency, as adopted and amended from time to time.

345.3 Sec. 41. Minnesota Statutes 2016, section 474A.131, subdivision 2, is amended to read:

345.4 Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received  
345.5 under this chapter, it must notify the department in writing before 4:30 p.m. on the last  
345.6 business day in December. This notice requirement does not apply to the Minnesota Housing  
345.7 Finance Agency for the carryforward of unallocated unified pool balances or for the  
345.8 carryforward of allocations of residential rental project bonds pursuant to section 474A.131,  
345.9 subdivision 1b.

345.10 Sec. 42. Minnesota Statutes 2016, section 474A.14, is amended to read:

345.11 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

345.12 The department shall provide at its official Web site a written notice of the amount of  
345.13 bonding authority in the housing, small issue, and public facilities pools as soon after January  
345.14 1 as possible. The department shall provide at its official Web site a written notice of the  
345.15 amount of bonding authority available for allocation in the unified pool as soon after ~~August~~  
345.16 July 1 as possible.

345.17 Sec. 43. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**  
345.18 **RELOCATION TRUST FUND.**

345.19 (a) Until June 30, 2020, the Minnesota Housing Finance Agency or Department of  
345.20 Management and Budget as determined by the commissioner of management and budget,  
345.21 is authorized to advance up to \$400,000 from state appropriations or other resources to the  
345.22 Minnesota manufactured home relocation trust fund established under Minnesota Statutes,  
345.23 section 462A.35, if the account balance in the Minnesota manufactured home relocation  
345.24 trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section  
345.25 327C.095, subdivision 13.

345.26 (b) The Minnesota Housing Finance Agency or Department of Management and Budget  
345.27 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any  
345.28 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment  
345.29 to manufactured home owners shall be paid prior to the money being advanced by the agency  
345.30 or the department to the fund.

346.1 Sec. 44. HOUSING AFFORDABILITY FUND; 2019 ALLOCATIONS.

346.2 Allocations from the Housing Finance Agency's housing affordability fund, pool 3, in  
 346.3 2019, shall include a set-aside of ten percent for single-family home ownership development  
 346.4 and rental housing for up to a four-plex in municipalities with a population under 10,000,  
 346.5 or for manufactured housing projects. The set-aside shall remain until June 1, 2019, after  
 346.6 which any money remaining in the set-aside shall be available to all eligible projects.

346.7 Sec. 45. REPORT; COSTS OF LOCAL ACTIONS ON AFFORDABLE HOUSING.

346.8 By January 15, 2019, the commissioner of the Housing Finance Agency shall report to  
 346.9 the members of the legislative policy and finance committees with jurisdiction over housing  
 346.10 on the effects of local regulatory, fee, and zoning decisions that raise the cost of development  
 346.11 of affordable housing.

346.12 **ARTICLE 21**

346.13 **PUBLIC SAFETY**

346.14 Section 1. Minnesota Statutes 2016, section 169A.24, subdivision 1, is amended to read:

346.15 Subdivision 1. **Degree described.** A person who violates section 169A.20 (driving while  
 346.16 impaired) is guilty of first-degree driving while impaired if the person:

346.17 (1) commits the violation within ten years of the first of three or more qualified prior  
 346.18 impaired driving incidents;

346.19 (2) has previously been convicted of a felony under this section; or

346.20 (3) has previously been convicted of a felony under:

346.21 (i) Minnesota Statutes 2012, section 609.21 (criminal vehicular homicide and injury,  
 346.22 substance-related offenses), subdivision 1, clauses (2) to (6);

346.23 (ii) Minnesota Statutes 2006, section 609.21 (criminal vehicular homicide and injury,  
 346.24 substance-related offenses), subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to  
 346.25 (6); subdivision 2a, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4,  
 346.26 clauses (2) to (6); ~~or~~

346.27 (iii) section 609.2112, subdivision 1, clauses (2) to (6); 609.2113, subdivision 1, clauses  
 346.28 (2) to (6), subdivision 2, clauses (2) to (6), or subdivision 3, clauses (2) to (6); or 609.2114,  
 346.29 subdivision 1, clauses (2) to (6), or subdivision 2, clauses (2) to (6); or

346.30 (iv) a statute from this state or another state in conformity with any provision listed in  
 346.31 item (i), (ii), or (iii).

347.1 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to violations  
 347.2 committed on or after that date.

347.3 Sec. 2. Minnesota Statutes 2016, section 243.166, subdivision 1b, is amended to read:

347.4 Subd. 1b. **Registration required.** (a) A person shall register under this section if:

347.5 (1) the person was charged with or petitioned for a felony violation of or attempt to  
 347.6 violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted  
 347.7 of or adjudicated delinquent for that offense or another offense arising out of the same set  
 347.8 of circumstances:

347.9 (i) murder under section 609.185, paragraph (a), clause (2);

347.10 (ii) kidnapping under section 609.25;

347.11 (iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451,  
 347.12 subdivision 3; or 609.3453; ~~or~~

347.13 (iv) indecent exposure under section 617.23, subdivision 3; or

347.14 (v) surreptitious intrusion under the circumstances described in section 609.746,  
 347.15 subdivision 1, paragraph (f);

347.16 (2) the person was charged with or petitioned for a violation of, or attempt to violate, or  
 347.17 aiding, abetting, or conspiring to commit criminal abuse in violation of section 609.2325,  
 347.18 subdivision 1, paragraph (b); false imprisonment in violation of section 609.255, subdivision  
 347.19 2; solicitation, inducement, or promotion of the prostitution of a minor or engaging in the  
 347.20 sex trafficking of a minor in violation of section 609.322; a prostitution offense in violation  
 347.21 of section 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual  
 347.22 conduct in violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a  
 347.23 sexual performance in violation of section 617.246; or possessing pornographic work  
 347.24 involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent  
 347.25 for that offense or another offense arising out of the same set of circumstances;

347.26 (3) the person was sentenced as a patterned sex offender under section 609.3455,  
 347.27 subdivision 3a; or

347.28 (4) the person was charged with or petitioned for, including pursuant to a court martial,  
 347.29 violating a law of the United States, including the Uniform Code of Military Justice, similar  
 347.30 to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated delinquent  
 347.31 for that offense or another offense arising out of the same set of circumstances.

347.32 (b) A person also shall register under this section if:

348.1 (1) the person was charged with or petitioned for an offense in another state that would  
348.2 be a violation of a law described in paragraph (a) if committed in this state and convicted  
348.3 of or adjudicated delinquent for that offense or another offense arising out of the same set  
348.4 of circumstances;

348.5 (2) the person enters this state to reside, work, or attend school, or enters this state and  
348.6 remains for 14 days or longer; and

348.7 (3) ten years have not elapsed since the person was released from confinement or, if the  
348.8 person was not confined, since the person was convicted of or adjudicated delinquent for  
348.9 the offense that triggers registration, unless the person is subject to a longer registration  
348.10 period under the laws of another state in which the person has been convicted or adjudicated,  
348.11 or is subject to lifetime registration.

348.12 If a person described in this paragraph is subject to a longer registration period in another  
348.13 state or is subject to lifetime registration, the person shall register for that time period  
348.14 regardless of when the person was released from confinement, convicted, or adjudicated  
348.15 delinquent.

348.16 (c) A person also shall register under this section if the person was committed pursuant  
348.17 to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter  
348.18 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the  
348.19 United States, regardless of whether the person was convicted of any offense.

348.20 (d) A person also shall register under this section if:

348.21 (1) the person was charged with or petitioned for a felony violation or attempt to violate  
348.22 any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or  
348.23 the United States, or the person was charged with or petitioned for a violation of any of the  
348.24 offenses listed in paragraph (a), clause (2), or a similar law of another state or the United  
348.25 States;

348.26 (2) the person was found not guilty by reason of mental illness or mental deficiency  
348.27 after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in  
348.28 states with a guilty but mentally ill verdict; and

348.29 (3) the person was committed pursuant to a court commitment order under section  
348.30 253B.18 or a similar law of another state or the United States.

348.31 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
348.32 committed on or after that date.

349.1 Sec. 3. Minnesota Statutes 2016, section 244.052, subdivision 4, is amended to read:

349.2 Subd. 4. **Law enforcement agency; disclosure of information to public.** (a) The law  
349.3 enforcement agency in the area where the predatory offender resides, expects to reside, is  
349.4 employed, or is regularly found, shall disclose to the public any information regarding the  
349.5 offender contained in the report forwarded to the agency under subdivision 3, paragraph  
349.6 (f), that is relevant and necessary to protect the public and to counteract the offender's  
349.7 dangerousness, consistent with the guidelines in paragraph (b). The extent of the information  
349.8 disclosed and the community to whom disclosure is made must relate to the level of danger  
349.9 posed by the offender, to the offender's pattern of offending behavior, and to the need of  
349.10 community members for information to enhance their individual and collective safety.

349.11 (b) The law enforcement agency shall employ the following guidelines in determining  
349.12 the scope of disclosure made under this subdivision:

349.13 (1) if the offender is assigned to risk level I, the agency may maintain information  
349.14 regarding the offender within the agency and may disclose it to other law enforcement  
349.15 agencies. Additionally, the agency may disclose the information to any victims of or  
349.16 witnesses to the offense committed by the offender. The agency shall disclose the information  
349.17 to victims of the offense committed by the offender who have requested disclosure and to  
349.18 adult members of the offender's immediate household;

349.19 (2) if the offender is assigned to risk level II, the agency also may disclose the information  
349.20 to agencies and groups that the offender is likely to encounter for the purpose of securing  
349.21 those institutions and protecting individuals in their care while they are on or near the  
349.22 premises of the institution. These agencies and groups include the staff members of public  
349.23 and private educational institutions, day care establishments, and establishments and  
349.24 organizations that primarily serve individuals likely to be victimized by the offender. The  
349.25 agency also may disclose the information to individuals the agency believes are likely to  
349.26 be victimized by the offender. The agency's belief shall be based on the offender's pattern  
349.27 of offending or victim preference as documented in the information provided by the  
349.28 department of corrections or human services;

349.29 (3) if the offender is assigned to risk level III, the agency shall disclose the information  
349.30 to the persons and entities described in clauses (1) and (2) and to other members of the  
349.31 community whom the offender is likely to encounter, unless the law enforcement agency  
349.32 determines that public safety would be compromised by the disclosure or that a more limited  
349.33 disclosure is necessary to protect the identity of the victim.

350.1 Notwithstanding the assignment of a predatory offender to risk level II or III, a law  
350.2 enforcement agency may not make the disclosures permitted or required by clause (2) or  
350.3 (3), if: the offender is placed or resides in a residential facility. However, if an offender is  
350.4 placed or resides in a residential facility, the offender and the head of the facility shall  
350.5 designate the offender's likely residence upon release from the facility and the head of the  
350.6 facility shall notify the commissioner of corrections or the commissioner of human services  
350.7 of the offender's likely residence at least 14 days before the offender's scheduled release  
350.8 date. The commissioner shall give this information to the law enforcement agency having  
350.9 jurisdiction over the offender's likely residence. The head of the residential facility also  
350.10 shall notify the commissioner of corrections or human services within 48 hours after  
350.11 finalizing the offender's approved relocation plan to a permanent residence. Within five  
350.12 days after receiving this notification, the appropriate commissioner shall give to the  
350.13 appropriate law enforcement agency all relevant information the commissioner has  
350.14 concerning the offender, including information on the risk factors in the offender's history  
350.15 and the risk level to which the offender was assigned. After receiving this information, the  
350.16 law enforcement agency shall make the disclosures permitted or required by clause (2) or  
350.17 (3), as appropriate.

350.18 (c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

350.19 (1) the organizations or community members are in a location or in close proximity to  
350.20 a location where the offender lives or is employed, or which the offender visits or is likely  
350.21 to visit on a regular basis, other than the location of the offender's outpatient treatment  
350.22 program; and

350.23 (2) the types of interaction which ordinarily occur at that location and other circumstances  
350.24 indicate that contact with the offender is reasonably certain.

350.25 (d) A law enforcement agency or official who discloses information under this subdivision  
350.26 shall make a good faith effort to make the notification within 14 days of receipt of a  
350.27 confirmed address from the Department of Corrections indicating that the offender will be,  
350.28 or has been, released from confinement, or accepted for supervision, or has moved to a new  
350.29 address and will reside at the address indicated. If a change occurs in the release plan, this  
350.30 notification provision does not require an extension of the release date.

350.31 (e) A law enforcement agency or official who discloses information under this subdivision  
350.32 shall not disclose the identity or any identifying characteristics of the victims of or witnesses  
350.33 to the offender's offenses.

351.1 (f) A law enforcement agency shall continue to disclose information on an offender as  
351.2 required by this subdivision for as long as the offender is required to register under section  
351.3 243.166. This requirement on a law enforcement agency to continue to disclose information  
351.4 also applies to an offender who lacks a primary address and is registering under section  
351.5 243.166, subdivision 3a.

351.6 (g) A law enforcement agency that is disclosing information on an offender assigned to  
351.7 risk level III to the public under this subdivision shall inform the commissioner of corrections  
351.8 what information is being disclosed and forward this information to the commissioner within  
351.9 two days of the agency's determination. The commissioner shall post this information on  
351.10 the Internet as required in subdivision 4b.

351.11 (h) A city council may adopt a policy that addresses when information disclosed under  
351.12 this subdivision must be presented in languages in addition to English. The policy may  
351.13 address when information must be presented orally, in writing, or both in additional languages  
351.14 by the law enforcement agency disclosing the information. The policy may provide for  
351.15 different approaches based on the prevalence of non-English languages in different  
351.16 neighborhoods.

351.17 (i) An offender who is the subject of a community notification meeting held pursuant  
351.18 to this section may not attend the meeting.

351.19 (j) When a school, day care facility, or other entity or program that primarily educates  
351.20 or serves children receives notice under paragraph (b), clause (3), that a level III predatory  
351.21 offender resides or works in the surrounding community, notice to parents must be made  
351.22 as provided in this paragraph. If the predatory offender identified in the notice is participating  
351.23 in programs offered by the facility that require or allow the person to interact with children  
351.24 other than the person's children, the principal or head of the entity must notify parents with  
351.25 children at the facility of the contents of the notice received pursuant to this section. The  
351.26 immunity provisions of subdivision 7 apply to persons disclosing information under this  
351.27 paragraph.

351.28 (k) The law enforcement agency where the predatory offender resides, is employed, or  
351.29 is regularly found shall notify the public in accordance with the guidelines of this subdivision,  
351.30 when the offender no longer resides, is employed, or is regularly found in the area.

351.31 Sec. 4. Minnesota Statutes 2016, section 260.012, is amended to read:

351.32 **260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY**  
351.33 **REUNIFICATION; REASONABLE EFFORTS.**

352.1 (a) Once a child alleged to be in need of protection or services is under the court's  
352.2 jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate  
352.3 services, by the social services agency are made to prevent placement or to eliminate the  
352.4 need for removal and to reunite the child with the child's family at the earliest possible time,  
352.5 and the court must ensure that the responsible social services agency makes reasonable  
352.6 efforts to finalize an alternative permanent plan for the child as provided in paragraph (e).  
352.7 In determining reasonable efforts to be made with respect to a child and in making those  
352.8 reasonable efforts, the child's best interests, health, and safety must be of paramount concern.  
352.9 Reasonable efforts to prevent placement and for rehabilitation and reunification are always  
352.10 required except upon a determination by the court that a petition has been filed stating a  
352.11 prima facie case that:

352.12 (1) the parent has subjected a child to egregious harm as defined in section 260C.007,  
352.13 subdivision 14;

352.14 (2) the parental rights of the parent to another child have been terminated involuntarily;

352.15 (3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph  
352.16 (a), clause (2);

352.17 (4) the parent's custodial rights to another child have been involuntarily transferred to a  
352.18 relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d),  
352.19 clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction;

352.20 (5) the parent has committed sexual abuse as defined in section 626.556, subdivision 2,  
352.21 against the child or another child of the parent;

352.22 (6) the parent has committed an offense that requires registration as a predatory offender  
352.23 under section 243.166, subdivision 1b, paragraph (a) or (b); or

352.24 (7) the provision of services or further services for the purpose of reunification is futile  
352.25 and therefore unreasonable under the circumstances.

352.26 (b) When the court makes one of the prima facie determinations under paragraph (a),  
352.27 either permanency pleadings under section 260C.505, or a termination of parental rights  
352.28 petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under  
352.29 sections 260C.503 to 260C.521 must be held within 30 days of this determination.

352.30 (c) In the case of an Indian child, in proceedings under sections 260B.178, 260C.178,  
352.31 260C.201, 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, the juvenile court  
352.32 must make findings and conclusions consistent with the Indian Child Welfare Act of 1978,  
352.33 United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In

353.1 cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section  
353.2 1901, the responsible social services agency must provide active efforts as required under  
353.3 United States Code, title 25, section 1911(d).

353.4 (d) "Reasonable efforts to prevent placement" means:

353.5 (1) the agency has made reasonable efforts to prevent the placement of the child in foster  
353.6 care by working with the family to develop and implement a safety plan; or

353.7 (2) given the particular circumstances of the child and family at the time of the child's  
353.8 removal, there are no services or efforts available which could allow the child to safely  
353.9 remain in the home.

353.10 (e) "Reasonable efforts to finalize a permanent plan for the child" means due diligence  
353.11 by the responsible social services agency to:

353.12 (1) reunify the child with the parent or guardian from whom the child was removed;

353.13 (2) assess a noncustodial parent's ability to provide day-to-day care for the child and,  
353.14 where appropriate, provide services necessary to enable the noncustodial parent to safely  
353.15 provide the care, as required by section 260C.219;

353.16 (3) conduct a relative search to identify and provide notice to adult relatives as required  
353.17 under section 260C.221;

353.18 (4) place siblings removed from their home in the same home for foster care or adoption,  
353.19 or transfer permanent legal and physical custody to a relative. Visitation between siblings  
353.20 who are not in the same foster care, adoption, or custodial placement or facility shall be  
353.21 consistent with section 260C.212, subdivision 2; and

353.22 (5) when the child cannot return to the parent or guardian from whom the child was  
353.23 removed, to plan for and finalize a safe and legally permanent alternative home for the child,  
353.24 and considers permanent alternative homes for the child inside or outside of the state,  
353.25 preferably through adoption or transfer of permanent legal and physical custody of the child.

353.26 (f) Reasonable efforts are made upon the exercise of due diligence by the responsible  
353.27 social services agency to use culturally appropriate and available services to meet the needs  
353.28 of the child and the child's family. Services may include those provided by the responsible  
353.29 social services agency and other culturally appropriate services available in the community.  
353.30 At each stage of the proceedings where the court is required to review the appropriateness  
353.31 of the responsible social services agency's reasonable efforts as described in paragraphs (a),  
353.32 (d), and (e), the social services agency has the burden of demonstrating that:

354.1 (1) it has made reasonable efforts to prevent placement of the child in foster care;

354.2 (2) it has made reasonable efforts to eliminate the need for removal of the child from  
354.3 the child's home and to reunify the child with the child's family at the earliest possible time;

354.4 (3) it has made reasonable efforts to finalize an alternative permanent home for the child,  
354.5 and considers permanent alternative homes for the child inside or outside of the state; or

354.6 (4) reasonable efforts to prevent placement and to reunify the child with the parent or  
354.7 guardian are not required. The agency may meet this burden by stating facts in a sworn  
354.8 petition filed under section 260C.141, by filing an affidavit summarizing the agency's  
354.9 reasonable efforts or facts the agency believes demonstrate there is no need for reasonable  
354.10 efforts to reunify the parent and child, or through testimony or a certified report required  
354.11 under juvenile court rules.

354.12 (g) Once the court determines that reasonable efforts for reunification are not required  
354.13 because the court has made one of the prima facie determinations under paragraph (a), the  
354.14 court may only require reasonable efforts for reunification after a hearing according to  
354.15 section 260C.163, where the court finds there is not clear and convincing evidence of the  
354.16 facts upon which the court based its prima facie determination. In this case when there is  
354.17 clear and convincing evidence that the child is in need of protection or services, the court  
354.18 may find the child in need of protection or services and order any of the dispositions available  
354.19 under section 260C.201, subdivision 1. Reunification of a child with a parent is not required  
354.20 if the parent has been convicted of:

354.21 (1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185  
354.22 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;

354.23 (2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the child;

354.24 (3) a violation of, or an attempt or conspiracy to commit a violation of, United States  
354.25 Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent;

354.26 (4) committing an offense that constitutes sexual abuse as defined in section 626.556,  
354.27 subdivision 2, against the child or another child of the parent; or

354.28 (5) an offense that requires registration as a predatory offender under section 243.166,  
354.29 subdivision 1b, paragraph (a) or (b).

354.30 Reunification is also not required when a parent receives a stay of adjudication pursuant to  
354.31 section 609.095, paragraph (b), for an offense that constitutes sexual abuse under clause  
354.32 (4).

355.1 (h) The juvenile court, in proceedings under sections 260B.178, 260C.178, 260C.201,  
355.2 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, shall make findings and  
355.3 conclusions as to the provision of reasonable efforts. When determining whether reasonable  
355.4 efforts have been made, the court shall consider whether services to the child and family  
355.5 were:

- 355.6 (1) relevant to the safety and protection of the child;
- 355.7 (2) adequate to meet the needs of the child and family;
- 355.8 (3) culturally appropriate;
- 355.9 (4) available and accessible;
- 355.10 (5) consistent and timely; and
- 355.11 (6) realistic under the circumstances.

355.12 In the alternative, the court may determine that provision of services or further services  
355.13 for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances  
355.14 or that reasonable efforts are not required as provided in paragraph (a).

355.15 (i) This section does not prevent out-of-home placement for treatment of a child with a  
355.16 mental disability when it is determined to be medically necessary as a result of the child's  
355.17 diagnostic assessment or individual treatment plan indicates that appropriate and necessary  
355.18 treatment cannot be effectively provided outside of a residential or inpatient treatment  
355.19 program and the level or intensity of supervision and treatment cannot be effectively and  
355.20 safely provided in the child's home or community and it is determined that a residential  
355.21 treatment setting is the least restrictive setting that is appropriate to the needs of the child.

355.22 (j) If continuation of reasonable efforts to prevent placement or reunify the child with  
355.23 the parent or guardian from whom the child was removed is determined by the court to be  
355.24 inconsistent with the permanent plan for the child or upon the court making one of the prima  
355.25 facie determinations under paragraph (a), reasonable efforts must be made to place the child  
355.26 in a timely manner in a safe and permanent home and to complete whatever steps are  
355.27 necessary to legally finalize the permanent placement of the child.

355.28 (k) Reasonable efforts to place a child for adoption or in another permanent placement  
355.29 may be made concurrently with reasonable efforts to prevent placement or to reunify the  
355.30 child with the parent or guardian from whom the child was removed. When the responsible  
355.31 social services agency decides to concurrently make reasonable efforts for both reunification  
355.32 and permanent placement away from the parent under paragraph (a), the agency shall disclose  
355.33 its decision and both plans for concurrent reasonable efforts to all parties and the court.

356.1 When the agency discloses its decision to proceed on both plans for reunification and  
356.2 permanent placement away from the parent, the court's review of the agency's reasonable  
356.3 efforts shall include the agency's efforts under both plans.

356.4 Sec. 5. Minnesota Statutes 2016, section 299A.785, subdivision 1, is amended to read:

356.5 Subdivision 1. **Information to be collected.** The commissioner shall elicit the cooperation  
356.6 and assistance of government agencies and nongovernmental organizations as appropriate  
356.7 to assist in the collection of trafficking data. The commissioner shall direct the appropriate  
356.8 authorities in each agency and organization to make best efforts to collect information  
356.9 relevant to tracking progress on trafficking. The information to be collected may include,  
356.10 but is not limited to:

356.11 (1) the numbers of arrests, prosecutions, and successful convictions of traffickers and  
356.12 those committing trafficking-related crimes, including, but not limited to, the following  
356.13 offenses: 609.27 (coercion); 609.282 (labor trafficking); 609.283 (unlawful conduct with  
356.14 respect to documents in furtherance of labor or sex trafficking); 609.321 (promotion of  
356.15 prostitution); 609.322 (solicitation of prostitution); 609.324 (other prostitution crimes);  
356.16 609.33 (disorderly house); 609.352 (solicitation of a child); ~~and~~ 617.245 and 617.246 (use  
356.17 of minors in sexual performance); 617.247 (possession of pornographic work involving  
356.18 minors); and 617.293 (harmful materials; dissemination and display to minors prohibited);

356.19 (2) statistics on the number of trafficking victims, including demographics, method of  
356.20 recruitment, and method of discovery;

356.21 (3) trafficking routes and patterns, states or country of origin, and transit states or  
356.22 countries;

356.23 (4) method of transportation, motor vehicles, aircraft, watercraft, or by foot if any  
356.24 transportation took place; and

356.25 (5) social factors, including pornography, that contribute to and foster trafficking,  
356.26 especially trafficking of women and children.

356.27 Sec. 6. Minnesota Statutes 2016, section 357.021, subdivision 2b, is amended to read:

356.28 Subd. 2b. **Court technology fund.** (a) In addition to any other filing fee under this  
356.29 chapter, the court administrator shall collect a \$2 technology fee on filings made under  
356.30 subdivision 2, clauses (1) to (13). The court administrator shall transmit the fee monthly to  
356.31 the commissioner of management and budget for deposit in the court technology account  
356.32 in the special revenue fund.

357.1 (b) A court technology account is established as a special account in the state treasury  
 357.2 and funds deposited in the account are appropriated to the Supreme Court for distribution  
 357.3 of technology funds as provided in paragraph (d). Technology funds may be used for the  
 357.4 following purposes: acquisition, development, support, maintenance, and upgrades to  
 357.5 computer systems, equipment and devices, network systems, electronic records, filings and  
 357.6 payment systems, interactive video teleconferencing, and online services, to be used by the  
 357.7 state courts and their justice partners.

357.8 (c) The Judicial Council may establish a board consisting of members from the judicial  
 357.9 branch, prosecutors, public defenders, corrections, and civil legal services to distribute funds  
 357.10 collected under paragraph (a). The Judicial Council may adopt policies and procedures for  
 357.11 the operation of the board, including but not limited to policies and procedures governing  
 357.12 membership terms, removal of members, and the filling of membership vacancies.

357.13 (d) Applications for the expenditure of technology funds shall be accepted from the  
 357.14 judicial branch, county and city attorney offices, the Board of Public Defense, qualified  
 357.15 legal services programs as defined under section 480.24, corrections agencies, and part-time  
 357.16 public defender offices. The applications shall be reviewed by the Judicial Council and, if  
 357.17 established, the board. In accordance with any recommendations from the board, the Judicial  
 357.18 Council shall distribute the funds available for this expenditure to selected recipients.

357.19 (e) By January 15, ~~2015~~ 2019, January 15, 2021, January 15, 2023, and ~~by~~ January 15,  
 357.20 ~~2017~~ 2024, the Judicial Council shall submit a report to the chairs and ranking minority  
 357.21 members of the house of representatives and senate committees with jurisdiction over  
 357.22 judiciary finance providing an accounting on the amounts collected and expended in the  
 357.23 previous biennium, including a list of fund recipients, the amounts awarded to each recipient,  
 357.24 and the technology purpose funded.

357.25 (f) This subdivision expires June 30, ~~2018~~ 2023.

357.26 **EFFECTIVE DATE.** This section is effective July 1, 2018.

357.27 Sec. 7. Minnesota Statutes 2016, section 609.3241, is amended to read:

357.28 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

357.29 (a) When a court sentences an adult convicted of violating section 609.27, 609.282,  
 357.30 609.283, 609.322 ~~or~~, 609.324, 609.33, 609.352, 617.246, 617.247, or 617.293, while acting  
 357.31 other than as a prostitute, the court shall impose an assessment of not less than \$500 and  
 357.32 not more than \$750 for a misdemeanor violation of section 609.27, a violation of section  
 357.33 609.324, subdivision 2, ~~or~~ a misdemeanor violation of section 609.324, subdivision 3, a

358.1 violation of section 609.33, or a violation of section 617.293; otherwise the court shall  
358.2 impose an assessment of not less than \$750 and not more than \$1,000. The assessment shall  
358.3 be distributed as provided in paragraph (c) and is in addition to the surcharge required by  
358.4 section 357.021, subdivision 6.

358.5 (b) The court may not waive payment of the minimum assessment required by this  
358.6 section. If the defendant qualifies for the services of a public defender or the court finds on  
358.7 the record that the convicted person is indigent or that immediate payment of the assessment  
358.8 would create undue hardship for the convicted person or that person's immediate family,  
358.9 the court may reduce the amount of the minimum assessment to not less than \$100. The  
358.10 court also may authorize payment of the assessment in installments.

358.11 (c) The assessment collected under paragraph (a) must be distributed as follows:

358.12 (1) 40 percent of the assessment shall be forwarded to the political subdivision that  
358.13 employs the arresting officer for use in enforcement, training, and education activities related  
358.14 to combating sexual exploitation of youth, or if the arresting officer is an employee of the  
358.15 state, this portion shall be forwarded to the commissioner of public safety for those purposes  
358.16 identified in clause (3);

358.17 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled  
358.18 the case for use in training and education activities relating to combating sexual exploitation  
358.19 activities of youth; and

358.20 (3) 40 percent of the assessment must be forwarded to the commissioner of health to be  
358.21 deposited in the safe harbor for youth account in the special revenue fund and are  
358.22 appropriated to the commissioner for distribution to crime victims services organizations  
358.23 that provide services to sexually exploited youth, as defined in section 260C.007, subdivision  
358.24 31.

358.25 (d) A safe harbor for youth account is established as a special account in the state treasury.

358.26 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
358.27 committed on or after that date.

358.28 Sec. 8. Minnesota Statutes 2016, section 609.341, subdivision 10, is amended to read:

358.29 Subd. 10. **Current or recent position of authority.** "Current or recent position of  
358.30 authority" includes but is not limited to any person who is a parent or acting in the place of  
358.31 a parent and charged with or assumes any of a parent's rights, duties or responsibilities to  
358.32 a child, or a person who is charged with or assumes any duty or responsibility for the health,  
358.33 welfare, or supervision of a child, either independently or through another, no matter how

359.1 brief, at the time of or within 120 days immediately preceding the act. For the purposes of  
359.2 subdivision 11, "position of authority" includes a psychotherapist.

359.3 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
359.4 committed on or after that date.

359.5 Sec. 9. Minnesota Statutes 2016, section 609.342, subdivision 1, is amended to read:

359.6 Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another  
359.7 person, or in sexual contact with a person under 13 years of age as defined in section 609.341,  
359.8 subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any  
359.9 of the following circumstances exists:

359.10 (a) the complainant is under 13 years of age and the actor is more than 36 months older  
359.11 than the complainant. Neither mistake as to the complainant's age nor consent to the act by  
359.12 the complainant is a defense;

359.13 (b) the complainant is at least 13 years of age but less than 16 years of age and the actor  
359.14 is more than 48 months older than the complainant and in a current or recent position of  
359.15 authority over the complainant. Neither mistake as to the complainant's age nor consent to  
359.16 the act by the complainant is a defense;

359.17 (c) circumstances existing at the time of the act cause the complainant to have a  
359.18 reasonable fear of imminent great bodily harm to the complainant or another;

359.19 (d) the actor is armed with a dangerous weapon or any article used or fashioned in a  
359.20 manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses  
359.21 or threatens to use the weapon or article to cause the complainant to submit;

359.22 (e) the actor causes personal injury to the complainant, and either of the following  
359.23 circumstances exist:

359.24 (i) the actor uses force or coercion to accomplish sexual penetration; or

359.25 (ii) the actor knows or has reason to know that the complainant is mentally impaired,  
359.26 mentally incapacitated, or physically helpless;

359.27 (f) the actor is aided or abetted by one or more accomplices within the meaning of section  
359.28 609.05, and either of the following circumstances exists:

359.29 (i) an accomplice uses force or coercion to cause the complainant to submit; or

360.1 (ii) an accomplice is armed with a dangerous weapon or any article used or fashioned  
360.2 in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and  
360.3 uses or threatens to use the weapon or article to cause the complainant to submit;

360.4 (g) the actor has a significant relationship to the complainant and the complainant was  
360.5 under 16 years of age at the time of the sexual penetration. Neither mistake as to the  
360.6 complainant's age nor consent to the act by the complainant is a defense; or

360.7 (h) the actor has a significant relationship to the complainant, the complainant was under  
360.8 16 years of age at the time of the sexual penetration, and:

360.9 (i) the actor or an accomplice used force or coercion to accomplish the penetration;

360.10 (ii) the complainant suffered personal injury; or

360.11 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

360.12 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
360.13 a defense.

360.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
360.15 committed on or after that date.

360.16 Sec. 10. Minnesota Statutes 2016, section 609.343, subdivision 1, is amended to read:

360.17 Subdivision 1. **Crime defined.** A person who engages in sexual contact with another  
360.18 person is guilty of criminal sexual conduct in the second degree if any of the following  
360.19 circumstances exists:

360.20 (a) the complainant is under 13 years of age and the actor is more than 36 months older  
360.21 than the complainant. Neither mistake as to the complainant's age nor consent to the act by  
360.22 the complainant is a defense. In a prosecution under this clause, the state is not required to  
360.23 prove that the sexual contact was coerced;

360.24 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
360.25 48 months older than the complainant and in a current or recent position of authority over  
360.26 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
360.27 complainant is a defense;

360.28 (c) circumstances existing at the time of the act cause the complainant to have a  
360.29 reasonable fear of imminent great bodily harm to the complainant or another;

361.1 (d) the actor is armed with a dangerous weapon or any article used or fashioned in a  
 361.2 manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses  
 361.3 or threatens to use the dangerous weapon to cause the complainant to submit;

361.4 (e) the actor causes personal injury to the complainant, and either of the following  
 361.5 circumstances exist:

361.6 (i) the actor uses force or coercion to accomplish the sexual contact; or

361.7 (ii) the actor knows or has reason to know that the complainant is mentally impaired,  
 361.8 mentally incapacitated, or physically helpless;

361.9 (f) the actor is aided or abetted by one or more accomplices within the meaning of section  
 361.10 609.05, and either of the following circumstances exists:

361.11 (i) an accomplice uses force or coercion to cause the complainant to submit; or

361.12 (ii) an accomplice is armed with a dangerous weapon or any article used or fashioned  
 361.13 in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and  
 361.14 uses or threatens to use the weapon or article to cause the complainant to submit;

361.15 (g) the actor has a significant relationship to the complainant and the complainant was  
 361.16 under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's  
 361.17 age nor consent to the act by the complainant is a defense; or

361.18 (h) the actor has a significant relationship to the complainant, the complainant was under  
 361.19 16 years of age at the time of the sexual contact, and:

361.20 (i) the actor or an accomplice used force or coercion to accomplish the contact;

361.21 (ii) the complainant suffered personal injury; or

361.22 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

361.23 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
 361.24 a defense.

361.25 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 361.26 committed on or after that date.

361.27 Sec. 11. Minnesota Statutes 2016, section 609.344, subdivision 1, is amended to read:

361.28 Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another  
 361.29 person is guilty of criminal sexual conduct in the third degree if any of the following  
 361.30 circumstances exists:

362.1 (a) the complainant is under 13 years of age and the actor is no more than 36 months  
362.2 older than the complainant. Neither mistake as to the complainant's age nor consent to the  
362.3 act by the complainant shall be a defense;

362.4 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
362.5 24 months older than the complainant. In any such case if the actor is no more than 120  
362.6 months older than the complainant, it shall be an affirmative defense, which must be proved  
362.7 by a preponderance of the evidence, that the actor reasonably believes the complainant to  
362.8 be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not  
362.9 be a defense. Consent by the complainant is not a defense;

362.10 (c) the actor uses force or coercion to accomplish the penetration;

362.11 (d) the actor knows or has reason to know that the complainant is mentally impaired,  
362.12 mentally incapacitated, or physically helpless;

362.13 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than  
362.14 48 months older than the complainant and in a current or recent position of authority over  
362.15 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
362.16 complainant is a defense;

362.17 (f) the actor has a significant relationship to the complainant and the complainant was  
362.18 at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake  
362.19 as to the complainant's age nor consent to the act by the complainant is a defense;

362.20 (g) the actor has a significant relationship to the complainant, the complainant was at  
362.21 least 16 but under 18 years of age at the time of the sexual penetration, and:

362.22 (i) the actor or an accomplice used force or coercion to accomplish the penetration;

362.23 (ii) the complainant suffered personal injury; or

362.24 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

362.25 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
362.26 a defense;

362.27 (h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist  
362.28 and the sexual penetration occurred:

362.29 (i) during the psychotherapy session; or

362.30 (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship  
362.31 exists.

363.1 Consent by the complainant is not a defense;

363.2 (i) the actor is a psychotherapist and the complainant is a former patient of the  
363.3 psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

363.4 (j) the actor is a psychotherapist and the complainant is a patient or former patient and  
363.5 the sexual penetration occurred by means of therapeutic deception. Consent by the  
363.6 complainant is not a defense;

363.7 (k) the actor accomplishes the sexual penetration by means of deception or false  
363.8 representation that the penetration is for a bona fide medical purpose. Consent by the  
363.9 complainant is not a defense;

363.10 (l) the actor is or purports to be a member of the clergy, the complainant is not married  
363.11 to the actor, and:

363.12 (i) the sexual penetration occurred during the course of a meeting in which the  
363.13 complainant sought or received religious or spiritual advice, aid, or comfort from the actor  
363.14 in private; or

363.15 (ii) the sexual penetration occurred during a period of time in which the complainant  
363.16 was meeting on an ongoing basis with the actor to seek or receive religious or spiritual  
363.17 advice, aid, or comfort in private. Consent by the complainant is not a defense;

363.18 (m) the actor is an employee, independent contractor, or volunteer of a state, county,  
363.19 city, or privately operated adult or juvenile correctional system, or secure treatment facility,  
363.20 or treatment facility providing services to clients civilly committed as mentally ill and  
363.21 dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but  
363.22 not limited to, jails, prisons, detention centers, or work release facilities, and the complainant  
363.23 is a resident of a facility or under supervision of the correctional system. Consent by the  
363.24 complainant is not a defense;

363.25 (n) the actor provides or is an agent of an entity that provides special transportation  
363.26 service, the complainant used the special transportation service, and the sexual penetration  
363.27 occurred during or immediately before or after the actor transported the complainant. Consent  
363.28 by the complainant is not a defense; ~~or~~

363.29 (o) the actor performs massage or other bodywork for hire, the complainant was a user  
363.30 of one of those services, and nonconsensual sexual penetration occurred during or  
363.31 immediately before or after the actor performed or was hired to perform one of those services  
363.32 for the complainant; or

364.1 (p) the actor is a peace officer, as defined in section 626.84, and the officer physically  
364.2 or constructively restrains the complainant or the complainant does not reasonably feel free  
364.3 to leave the officer's presence. Consent by the complainant is not a defense. This paragraph  
364.4 does not apply to any penetration of the mouth, genitals, or anus during a lawful search.

364.5 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
364.6 committed on or after that date.

364.7 Sec. 12. Minnesota Statutes 2016, section 609.345, subdivision 1, is amended to read:

364.8 Subdivision 1. **Crime defined.** A person who engages in sexual contact with another  
364.9 person is guilty of criminal sexual conduct in the fourth degree if any of the following  
364.10 circumstances exists:

364.11 (a) the complainant is under 13 years of age and the actor is no more than 36 months  
364.12 older than the complainant. Neither mistake as to the complainant's age or consent to the  
364.13 act by the complainant is a defense. In a prosecution under this clause, the state is not  
364.14 required to prove that the sexual contact was coerced;

364.15 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
364.16 48 months older than the complainant or in a current or recent position of authority over  
364.17 the complainant. Consent by the complainant to the act is not a defense. In any such case,  
364.18 if the actor is no more than 120 months older than the complainant, it shall be an affirmative  
364.19 defense which must be proved by a preponderance of the evidence that the actor reasonably  
364.20 believes the complainant to be 16 years of age or older. In all other cases, mistake as to the  
364.21 complainant's age shall not be a defense;

364.22 (c) the actor uses force or coercion to accomplish the sexual contact;

364.23 (d) the actor knows or has reason to know that the complainant is mentally impaired,  
364.24 mentally incapacitated, or physically helpless;

364.25 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than  
364.26 48 months older than the complainant and in a current or recent position of authority over  
364.27 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
364.28 complainant is a defense;

364.29 (f) the actor has a significant relationship to the complainant and the complainant was  
364.30 at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to  
364.31 the complainant's age nor consent to the act by the complainant is a defense;

365.1 (g) the actor has a significant relationship to the complainant, the complainant was at  
365.2 least 16 but under 18 years of age at the time of the sexual contact, and:

365.3 (i) the actor or an accomplice used force or coercion to accomplish the contact;

365.4 (ii) the complainant suffered personal injury; or

365.5 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

365.6 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
365.7 a defense;

365.8 (h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist  
365.9 and the sexual contact occurred:

365.10 (i) during the psychotherapy session; or

365.11 (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship  
365.12 exists. Consent by the complainant is not a defense;

365.13 (i) the actor is a psychotherapist and the complainant is a former patient of the  
365.14 psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

365.15 (j) the actor is a psychotherapist and the complainant is a patient or former patient and  
365.16 the sexual contact occurred by means of therapeutic deception. Consent by the complainant  
365.17 is not a defense;

365.18 (k) the actor accomplishes the sexual contact by means of deception or false representation  
365.19 that the contact is for a bona fide medical purpose. Consent by the complainant is not a  
365.20 defense;

365.21 (l) the actor is or purports to be a member of the clergy, the complainant is not married  
365.22 to the actor, and:

365.23 (i) the sexual contact occurred during the course of a meeting in which the complainant  
365.24 sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

365.25 (ii) the sexual contact occurred during a period of time in which the complainant was  
365.26 meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice,  
365.27 aid, or comfort in private. Consent by the complainant is not a defense;

365.28 (m) the actor is an employee, independent contractor, or volunteer of a state, county,  
365.29 city, or privately operated adult or juvenile correctional system, or secure treatment facility,  
365.30 or treatment facility providing services to clients civilly committed as mentally ill and  
365.31 dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but

366.1 not limited to, jails, prisons, detention centers, or work release facilities, and the complainant  
 366.2 is a resident of a facility or under supervision of the correctional system. Consent by the  
 366.3 complainant is not a defense;

366.4 (n) the actor provides or is an agent of an entity that provides special transportation  
 366.5 service, the complainant used the special transportation service, the complainant is not  
 366.6 married to the actor, and the sexual contact occurred during or immediately before or after  
 366.7 the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

366.8 (o) the actor performs massage or other bodywork for hire, the complainant was a user  
 366.9 of one of those services, and nonconsensual sexual contact occurred during or immediately  
 366.10 before or after the actor performed or was hired to perform one of those services for the  
 366.11 complainant; or

366.12 (p) the actor is a peace officer, as defined in section 626.84, and the officer physically  
 366.13 or constructively restrains the complainant or the complainant does not reasonably feel free  
 366.14 to leave the officer's presence. Consent by the complainant is not a defense.

366.15 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 366.16 committed on or after that date.

366.17 **Sec. 13. [609.3454] STAYS OF SENTENCE OR ADJUDICATION; REPORTS**  
 366.18 **REQUIRED.**

366.19 (a) By January 31 of each year, each county attorney whose office has prosecuted an  
 366.20 offense in the preceding calendar year for which a court has imposed: (1) a stay of imposition  
 366.21 or execution of sentence under section 609.342, subdivision 3; 609.343, subdivision 3;  
 366.22 609.344, subdivision 3; or 609.345, subdivision 3, in a case where the offender faced a  
 366.23 presumptive commitment to prison; or (2) a stay of adjudication of guilt for a violation of  
 366.24 section 243.166; 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453,  
 366.25 shall report to the Minnesota County Attorneys Association the following information on  
 366.26 each offense for which a stay was imposed:

366.27 (i) general information about the case, including a brief description of the facts and any  
 366.28 relevant information specific to the case's prosecution;

366.29 (ii) whether the prosecutor objected to or supported the court's decision to impose a stay  
 366.30 and the reasons for that position;

366.31 (iii) what conditions of probation were imposed by the court on the offender; and

366.32 (iv) any other information the county attorney deems appropriate.

367.1 (b) By March 1 of each year, the Minnesota County Attorneys Association shall forward  
367.2 to the chairs and ranking minority members of the senate and house of representatives  
367.3 committees having jurisdiction over criminal justice policy a combined report that includes  
367.4 the reports of each county attorney under paragraph (a).

367.5 (c) Reports under this section must not identify individuals who are offenders, victims,  
367.6 or witnesses to an offense.

367.7 Sec. 14. Minnesota Statutes 2016, section 609.746, subdivision 1, is amended to read:

367.8 Subdivision 1. **Surreptitious intrusion; observation device.** (a) A person is guilty of  
367.9 a gross misdemeanor who:

367.10 (1) enters upon another's property;

367.11 (2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house  
367.12 or place of dwelling of another; and

367.13 (3) does so with intent to intrude upon or interfere with the privacy of a member of the  
367.14 household.

367.15 (b) A person is guilty of a gross misdemeanor who:

367.16 (1) enters upon another's property;

367.17 (2) surreptitiously installs or uses any device for observing, photographing, recording,  
367.18 amplifying, or broadcasting sounds or events through the window or any other aperture of  
367.19 a house or place of dwelling of another; and

367.20 (3) does so with intent to intrude upon or interfere with the privacy of a member of the  
367.21 household.

367.22 (c) A person is guilty of a gross misdemeanor who:

367.23 (1) surreptitiously gazes, stares, or peeps in the window or other aperture of a sleeping  
367.24 room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place  
367.25 where a reasonable person would have an expectation of privacy and has exposed or is  
367.26 likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the  
367.27 clothing covering the immediate area of the intimate parts; and

367.28 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

367.29 (d) A person is guilty of a gross misdemeanor who:

367.30 (1) surreptitiously installs or uses any device for observing, photographing, recording,  
367.31 amplifying, or broadcasting sounds or events through the window or other aperture of a

368.1 sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or  
368.2 other place where a reasonable person would have an expectation of privacy and has exposed  
368.3 or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or  
368.4 the clothing covering the immediate area of the intimate parts; and

368.5 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

368.6 (e) A person is guilty of a felony and may be sentenced to imprisonment for not more  
368.7 than two years or to payment of a fine of not more than \$5,000, or both, if the person:

368.8 (1) violates this subdivision after a previous conviction under this subdivision or section  
368.9 609.749; or

368.10 (2) violates this subdivision against a minor under the age of 18, knowing or having  
368.11 reason to know that the minor is present.

368.12 (f) A person is guilty of a felony and may be sentenced to imprisonment for not more  
368.13 than four years or to payment of a fine of not more than \$5,000, or both, if: (1) the person  
368.14 violates paragraph (b) or (d) against a minor victim under the age of 18; (2) the person is  
368.15 more than 36 months older than the minor victim; (3) the person knows or has reason to  
368.16 know that the minor victim is present; and (4) the violation is committed with sexual intent.

368.17 (g) Paragraphs (b) and (d) do not apply to law enforcement officers or corrections  
368.18 investigators, or to those acting under their direction, while engaged in the performance of  
368.19 their lawful duties. Paragraphs (c) and (d) do not apply to conduct in: (1) a medical facility;  
368.20 or (2) a commercial establishment if the owner of the establishment has posted conspicuous  
368.21 signs warning that the premises are under surveillance by the owner or the owner's employees.

368.22 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
368.23 committed on or after that date.

368.24 Sec. 15. Minnesota Statutes 2016, section 617.246, subdivision 2, is amended to read:

368.25 Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit  
368.26 a minor to engage in or assist others to engage minors in posing or modeling alone or with  
368.27 others in any sexual performance or pornographic work if the person knows or has reason  
368.28 to know that the conduct intended is a sexual performance or a pornographic work.

368.29 Any person who violates this ~~subdivision~~ paragraph is guilty of a felony and may be  
368.30 sentenced to imprisonment for not more than ten years or to payment of a fine of not more  
368.31 than \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

369.1 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
369.2 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
369.3 or both, if:

369.4 (1) the person has a prior conviction or delinquency adjudication for violating this section  
369.5 or section 617.247;

369.6 (2) the violation occurs when the person is a registered predatory offender under section  
369.7 243.166; or

369.8 (3) the violation involved a minor under the age of 13 years.

369.9 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
369.10 committed on or after that date.

369.11 Sec. 16. Minnesota Statutes 2016, section 617.246, subdivision 3, is amended to read:

369.12 Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a  
369.13 business in which a pornographic work, as defined in this section, is disseminated to an  
369.14 adult or a minor or is reproduced, and who knows the content and character of the  
369.15 pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced  
369.16 to imprisonment for not more than ten years, or to payment of a fine of not more than  
369.17 \$20,000 for the first offense and \$40,000 for a second or subsequent offense, or both.

369.18 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
369.19 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
369.20 or both, if:

369.21 (1) the person has a prior conviction or delinquency adjudication for violating this section  
369.22 or section 617.247;

369.23 (2) the violation occurs when the person is a registered predatory offender under section  
369.24 243.166; or

369.25 (3) the violation involved a minor under the age of 13 years.

369.26 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
369.27 committed on or after that date.

369.28 Sec. 17. Minnesota Statutes 2016, section 617.246, subdivision 4, is amended to read:

369.29 Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content  
369.30 and character, disseminates for profit to an adult or a minor a pornographic work, as defined  
369.31 in this section, is guilty of a felony and may be sentenced to imprisonment for not more

370.1 than ten years, or to payment of a fine of not more than \$20,000 ~~for the first offense and~~  
 370.2 ~~\$40,000 for a second or subsequent offense~~, or both.

370.3 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
 370.4 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
 370.5 or both, if:

370.6 (1) the person has a prior conviction or delinquency adjudication for violating this section  
 370.7 or section 617.247;

370.8 (2) the violation occurs when the person is a registered predatory offender under section  
 370.9 243.166; or

370.10 (3) the violation involved a minor under the age of 13 years.

370.11 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 370.12 committed on or after that date.

370.13 Sec. 18. Minnesota Statutes 2016, section 617.246, subdivision 7, is amended to read:

370.14 Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence  
 370.15 otherwise applicable to the offense or any provision of the sentencing guidelines, when a  
 370.16 court commits a person to the custody of the commissioner of corrections for violating this  
 370.17 section, the court shall provide that after the person has been released from prison, the  
 370.18 commissioner shall place the person on conditional release for five years. If the person has  
 370.19 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,  
 370.20 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this  
 370.21 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~  
 370.22 15 years. The terms of conditional release are governed by section 609.3455, subdivision  
 370.23 8.

370.24 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 370.25 committed on or after that date.

370.26 Sec. 19. Minnesota Statutes 2016, section 617.247, subdivision 3, is amended to read:

370.27 Subd. 3. **Dissemination prohibited.** (a) A person who disseminates pornographic work  
 370.28 to an adult or a minor, knowing or with reason to know its content and character, is guilty  
 370.29 of a felony and may be sentenced to imprisonment for not more than seven years ~~and~~ or to  
 370.30 payment of a fine of not more than \$10,000 for a first offense and for not more than 15  
 370.31 years and a fine of not more than \$20,000 for a second or subsequent offense, or both.

371.1 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
371.2 imprisonment for not more than 15 years or to payment of a fine of not more than \$20,000,  
371.3 or both, if:

371.4 (1) the person has a prior conviction or delinquency adjudication for violating this section  
371.5 or section 617.246;

371.6 (2) the violation occurs when the person is a registered predatory offender under section  
371.7 243.166; or

371.8 (3) the violation involved a minor under the age of 13 years.

371.9 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
371.10 committed on or after that date.

371.11 Sec. 20. Minnesota Statutes 2016, section 617.247, subdivision 4, is amended to read:

371.12 Subd. 4. **Possession prohibited.** (a) A person who possesses a pornographic work or a  
371.13 computer disk or computer or other electronic, magnetic, or optical storage system or a  
371.14 storage system of any other type, containing a pornographic work, knowing or with reason  
371.15 to know its content and character, is guilty of a felony and may be sentenced to imprisonment  
371.16 for not more than five years ~~and~~ or to payment of a fine of not more than \$5,000 for a first  
371.17 ~~offense and for not more than ten years and a fine of not more than \$10,000 for a second~~  
371.18 ~~or subsequent offense, or both.~~

371.19 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
371.20 imprisonment for not more than ten years or to payment of a fine of not more than \$10,000,  
371.21 or both, if:

371.22 (1) the person has a prior conviction or delinquency adjudication for violating this section  
371.23 or section 617.246;

371.24 (2) the violation occurs when the person is a registered predatory offender under section  
371.25 243.166; or

371.26 (3) the violation involved a minor under the age of 13 years.

371.27 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
371.28 committed on or after that date.

371.29 Sec. 21. Minnesota Statutes 2016, section 617.247, subdivision 9, is amended to read:

371.30 Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence  
371.31 otherwise applicable to the offense or any provision of the sentencing guidelines, when a

372.1 court commits a person to the custody of the commissioner of corrections for violating this  
372.2 section, the court shall provide that after the person has been released from prison, the  
372.3 commissioner shall place the person on conditional release for five years. If the person has  
372.4 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,  
372.5 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this  
372.6 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~  
372.7 15 years. The terms of conditional release are governed by section 609.3455, subdivision  
372.8 8.

372.9 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
372.10 committed on or after that date.

372.11 Sec. 22. **SENTENCING GUIDELINES MODIFICATION.**

372.12 The Sentencing Guidelines Commission shall comprehensively review and consider  
372.13 modifying how the Sentencing Guidelines and the sex offender grid address the crimes  
372.14 described in Minnesota Statutes, sections 617.246 and 617.247, as compared to similar  
372.15 crimes, including other sex offenses and other offenses with similar maximum penalties.

372.16 Sec. 23. **TRANSFER.**

372.17 \$125,000 is transferred in fiscal year 2019 from the general fund to the peace officer  
372.18 training account in the special revenue fund to pay for a projected deficiency in the peace  
372.19 officer training account. This is a onetime transfer.

372.20 Sec. 24. **APPROPRIATIONS.**

372.21 (a) \$6,600,000 is appropriated in fiscal year 2019 from the general fund to the  
372.22 commissioner of corrections to fund the offender health care contract. \$1,968,000 is added  
372.23 to the base in fiscal year 2020 and \$3,168,000 is added to the base in fiscal years 2021,  
372.24 2022, and 2023. In fiscal year 2024 and beyond, \$0 is added to the base.

372.25 (b) \$300,000 is appropriated in fiscal year 2019 from the general fund to the commissioner  
372.26 of public safety for two Bureau of Criminal Apprehension drug scientists and lab supplies.  
372.27 The base for this provision is \$300,000 in fiscal years 2020 and 2021, and \$0 in fiscal year  
372.28 2022 and beyond.

372.29 (c) \$1,000,000 is appropriated in fiscal year 2019 from the general fund to the  
372.30 commissioner of public safety for reimbursement grants to public school districts that  
372.31 contract for audits of the physical security of public school campuses. Applicants for  
372.32 reimbursement grants may receive up to 100 percent of the cost of physical security audits

373.1 of public school campuses conducted by security consultants holding a certified protection  
 373.2 professional certification from the American Society for Industrial Security, or other  
 373.3 professional certification deemed acceptable by the commissioner of public safety. This is  
 373.4 a onetime appropriation.

373.5 Sec. 25. **REVISOR'S INSTRUCTION.**

373.6 The revisor of statutes shall make necessary cross-reference changes in Minnesota  
 373.7 Statutes and Minnesota Rules resulting from the amendments to Minnesota Statutes, sections  
 373.8 609.2112, subdivision 1, and 609.2114, subdivision 1, in Laws 2016, chapter 109.

373.9 **ARTICLE 22**

373.10 **HEALTH CARE**

373.11 Section 1. Minnesota Statutes 2016, section 3.3005, subdivision 8, is amended to read:

373.12 Subd. 8. **Request contents.** A request to spend federal funds submitted under this section  
 373.13 must include the name of the federal grant, the federal agency from which the funds are  
 373.14 available, a federal identification number, a brief description of the purpose of the grant,  
 373.15 the amounts expected by fiscal year, an indication if any state match is required, an indication  
 373.16 if there is a maintenance of effort requirement, and the number of full-time equivalent  
 373.17 positions needed to implement the grant. For new grants, the request must provide a narrative  
 373.18 description of the short- and long-term commitments required, including whether continuation  
 373.19 of any full-time equivalent positions will be a condition of receiving the federal award.

373.20 Sec. 2. **[62J.90] MINNESOTA HEALTH POLICY COMMISSION.**

373.21 Subdivision 1. **Definition.** For purposes of this section, "commission" means the  
 373.22 Minnesota Health Policy Commission.

373.23 Subd. 2. **Commission membership.** The commission shall consist of 15 voting members,  
 373.24 appointed by the Legislative Coordinating Commission as provided in subdivision 9, as  
 373.25 follows:

373.26 (1) one member with demonstrated expertise in health care finance;

373.27 (2) one member with demonstrated expertise in health economics;

373.28 (3) one member with demonstrated expertise in actuarial science;

373.29 (4) one member with demonstrated expertise in health plan management and finance;

373.30 (5) one member with demonstrated expertise in health care system management;

374.1 (6) one member with demonstrated expertise as a purchaser, or a representative of a  
374.2 purchaser, of employer-sponsored health care services or employer-sponsored health  
374.3 insurance;

374.4 (7) one member with demonstrated expertise in the development and utilization of  
374.5 innovative medical technologies;

374.6 (8) one member with demonstrated expertise as a health care consumer advocate;

374.7 (9) one member who is a primary care physician;

374.8 (10) one member who provides long-term care services through medical assistance;

374.9 (11) one member with direct experience as an enrollee, or parent or caregiver of an  
374.10 enrollee, in MinnesotaCare or medical assistance;

374.11 (12) two members of the senate, including one member appointed by the majority leader  
374.12 and one member from the minority party appointed by the minority leader; and

374.13 (13) two members of the house of representatives, including one member appointed by  
374.14 the speaker of the house and one member from the minority party appointed by the minority  
374.15 leader.

374.16 Subd. 3. **Duties.** (a) The commission shall:

374.17 (1) compare Minnesota's private market health care costs and public health care program  
374.18 spending to that of the other states;

374.19 (2) compare Minnesota's private market health care costs and public health care program  
374.20 spending in any given year to its costs and spending in previous years;

374.21 (3) identify factors that influence and contribute to Minnesota's ranking for private  
374.22 market health care costs and public health care program spending, including the year over  
374.23 year and trend line change in total costs and spending in the state;

374.24 (4) continually monitor efforts to reform the health care delivery and payment system  
374.25 in Minnesota to understand emerging trends in the health insurance market, including the  
374.26 private health care market, large self-insured employers, and the state's public health care  
374.27 programs in order to identify opportunities for state action to achieve:

374.28 (i) improved patient experience of care, including quality and satisfaction;

374.29 (ii) improved health of all populations; and

374.30 (iii) reduced per capita cost of health care;

375.1 (5) make recommendations for legislative policy, the health care market, or any other  
375.2 reforms to:

375.3 (i) lower the rate of growth in private market health care costs and public health care  
375.4 program spending in the state;

375.5 (ii) positively impact the state's ranking in the areas listed in this subdivision; and

375.6 (iii) improve the quality and value of care for all Minnesotans; and

375.7 (6) conduct any additional reviews requested by the legislature.

375.8 (b) In making recommendations to the legislature, the commission shall consider:

375.9 (i) how the recommendations might positively impact the cost-shifting interplay between  
375.10 public payer reimbursement rates and health insurance premiums; and

375.11 (ii) how public health care programs, where appropriate, may be utilized as a means to  
375.12 help prepare enrollees for an eventual transition to the private health care market.

375.13 Subd. 4. **Report.** The commission shall submit recommendations for changes in health  
375.14 care policy and financing by June 15 each year to the chairs and ranking minority members  
375.15 of the legislative committees with primary jurisdiction over health care. The report shall  
375.16 include any draft legislation to implement the commission's recommendations.

375.17 Subd. 5. **Staff.** The commission shall hire a director who may employ or contract for  
375.18 professional and technical assistance as the commission determines necessary to perform  
375.19 its duties. The commission may also contract with private entities with expertise in health  
375.20 economics, health finance, and actuarial science to secure additional information, data,  
375.21 research, or modeling that may be necessary for the commission to carry out its duties.

375.22 Subd. 6. **Access to information.** (a) The commission may request that a state department  
375.23 or agency provide the commission with any publicly available information in a usable format  
375.24 as requested by the commission, at no cost to the commission.

375.25 (b) The commission may request from a state department or agency unique or custom  
375.26 data sets and the department or agency may charge the commission for providing the data  
375.27 at the same rate the department or agency would charge any other public or private entity.

375.28 (c) Any information provided to the commission by a state department or agency must  
375.29 be de-identified. For purposes of this subdivision, "de-identified" means the process used  
375.30 to prevent the identity of a person or business from being connected with information and  
375.31 ensuring all identifiable information has been removed.

376.1 Subd. 7. **Terms; vacancies; compensation.** (a) Public members of the commission shall  
376.2 serve four-year terms. The public members may not serve for more than two consecutive  
376.3 terms.

376.4 (b) The legislative members shall serve on the commission as long as the member or  
376.5 the appointing authority holds office.

376.6 (c) The removal of members and filling of vacancies on the commission are as provided  
376.7 in section 15.059.

376.8 (d) Public members may receive compensation and expenses as provided in section  
376.9 15.059, subdivision 3.

376.10 Subd. 8. **Chairs; officers.** The commission shall elect a chair annually. The commission  
376.11 may elect other officers necessary for the performance of its duties.

376.12 Subd. 9. **Selection of members; advisory council.** The Legislative Coordinating  
376.13 Commission shall take applications from members of the public who are qualified and  
376.14 interested to serve in one of the listed positions. The applications must be reviewed by a  
376.15 health policy commission advisory council comprised of four members as follows: the state  
376.16 economist, legislative auditor, state demographer, and the president of the Federal Reserve  
376.17 Bank of Minneapolis or a designee of the president. The advisory council shall recommend  
376.18 two applicants for each of the specified positions by September 30 in the calendar year  
376.19 preceding the end of the members' terms. The Legislative Coordinating Commission shall  
376.20 appoint one of the two recommended applicants to the commission.

376.21 Subd. 10. **Meetings.** The commission shall meet at least four times each year.  
376.22 Commission meetings are subject to chapter 13D.

376.23 Subd. 11. **Conflict of interest.** A member of the commission may not participate in or  
376.24 vote on a decision of the commission relating to an organization in which the member has  
376.25 either a direct or indirect financial interest.

376.26 Subd. 12. **Expiration.** The commission shall expire on June 15, 2024.

376.27 Sec. 3. Minnesota Statutes 2016, section 256.01, is amended by adding a subdivision to  
376.28 read:

376.29 Subd. 17a. **Transfers for routine administrative operations.** (a) Unless specifically  
376.30 authorized by law, the commissioner may only transfer money from the general fund to any  
376.31 other fund for routine administrative operations and may not transfer money from the general  
376.32 fund to any other fund without approval from the commissioner of management and budget.

377.1 If the commissioner of management and budget determines that a transfer proposed by the  
377.2 commissioner is necessary for routine administrative operations of the Department of Human  
377.3 Services, the commissioner may approve the transfer. If the commissioner of management  
377.4 and budget determines that the transfer proposed by the commissioner is not necessary for  
377.5 routine administrative operations of the Department of Human Services, the commissioner  
377.6 may not approve the transfer unless the requirements of paragraph (b) are met.

377.7 (b) If the commissioner of management and budget determines that a transfer under  
377.8 paragraph (a) is not necessary for routine administrative operations of the Department of  
377.9 Human Services, the commissioner may request approval of the transfer from the Legislative  
377.10 Advisory Commission under section 3.30. To request approval of a transfer from the  
377.11 Legislative Advisory Commission, the commissioner must submit a request that includes  
377.12 the amount of the transfer, the budget activity and fund from which money would be  
377.13 transferred and the budget activity and fund to which money would be transferred, an  
377.14 explanation of the administrative necessity of the transfer, and a statement from the  
377.15 commissioner of management and budget explaining why the transfer is not necessary for  
377.16 routine administrative operations of the Department of Human Services. The Legislative  
377.17 Advisory Commission shall review the proposed transfer and make a recommendation  
377.18 within 20 days of the request from the commissioner. If the Legislative Advisory Commission  
377.19 makes a positive recommendation or no recommendation, the commissioner may approve  
377.20 the transfer. If the Legislative Advisory Commission makes a negative recommendation or  
377.21 a request for more information, the commissioner may not approve the transfer. A  
377.22 recommendation of the Legislative Advisory Commission must be made by a majority of  
377.23 the commission and must be made at a meeting of the commission unless a written  
377.24 recommendation is signed by a majority of the commission members required to vote on  
377.25 the question. If the commission makes a negative recommendation or a request for more  
377.26 information, the commission may withdraw or change its recommendation.

377.27 Sec. 4. Minnesota Statutes 2016, section 256B.04, subdivision 14, is amended to read:

377.28 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and  
377.29 feasible, the commissioner may utilize volume purchase through competitive bidding and  
377.30 negotiation under the provisions of chapter 16C, to provide items under the medical assistance  
377.31 program including but not limited to the following:

377.32 (1) eyeglasses;

378.1 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation  
378.2 on a short-term basis, until the vendor can obtain the necessary supply from the contract  
378.3 dealer;

378.4 (3) hearing aids and supplies; and

378.5 (4) durable medical equipment, including but not limited to:

378.6 (i) hospital beds;

378.7 (ii) commodes;

378.8 (iii) glide-about chairs;

378.9 (iv) patient lift apparatus;

378.10 (v) wheelchairs and accessories;

378.11 (vi) oxygen administration equipment;

378.12 (vii) respiratory therapy equipment;

378.13 (viii) electronic diagnostic, therapeutic and life-support systems;

378.14 (5) nonemergency medical transportation level of need determinations, disbursement of  
378.15 public transportation passes and tokens, and volunteer and recipient mileage and parking  
378.16 reimbursements; and

378.17 (6) drugs.

378.18 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not  
378.19 affect contract payments under this subdivision unless specifically identified.

378.20 (c) The commissioner may not utilize volume purchase through competitive bidding  
378.21 and negotiation ~~for special transportation services~~ under the provisions of chapter 16C for  
378.22 special transportation services or incontinence products and related supplies.

378.23 Sec. 5. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 3b, is  
378.24 amended to read:

378.25 Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary  
378.26 services and consultations delivered by a licensed health care provider via telemedicine in  
378.27 the same manner as if the service or consultation was delivered in person. Coverage is  
378.28 limited to three telemedicine services per enrollee per calendar week, except as provided  
378.29 in paragraph (f). Telemedicine services shall be paid at the full allowable rate.

379.1 (b) The commissioner shall establish criteria that a health care provider must attest to  
379.2 in order to demonstrate the safety or efficacy of delivering a particular service via  
379.3 telemedicine. The attestation may include that the health care provider:

379.4 (1) has identified the categories or types of services the health care provider will provide  
379.5 via telemedicine;

379.6 (2) has written policies and procedures specific to telemedicine services that are regularly  
379.7 reviewed and updated;

379.8 (3) has policies and procedures that adequately address patient safety before, during,  
379.9 and after the telemedicine service is rendered;

379.10 (4) has established protocols addressing how and when to discontinue telemedicine  
379.11 services; and

379.12 (5) has an established quality assurance process related to telemedicine services.

379.13 (c) As a condition of payment, a licensed health care provider must document each  
379.14 occurrence of a health service provided by telemedicine to a medical assistance enrollee.  
379.15 Health care service records for services provided by telemedicine must meet the requirements  
379.16 set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

379.17 (1) the type of service provided by telemedicine;

379.18 (2) the time the service began and the time the service ended, including an a.m. and p.m.  
379.19 designation;

379.20 (3) the licensed health care provider's basis for determining that telemedicine is an  
379.21 appropriate and effective means for delivering the service to the enrollee;

379.22 (4) the mode of transmission of the telemedicine service and records evidencing that a  
379.23 particular mode of transmission was utilized;

379.24 (5) the location of the originating site and the distant site;

379.25 (6) if the claim for payment is based on a physician's telemedicine consultation with  
379.26 another physician, the written opinion from the consulting physician providing the  
379.27 telemedicine consultation; and

379.28 (7) compliance with the criteria attested to by the health care provider in accordance  
379.29 with paragraph (b).

379.30 (d) For purposes of this subdivision, unless otherwise covered under this chapter,  
379.31 "telemedicine" is defined as the delivery of health care services or consultations while the

380.1 patient is at an originating site and the licensed health care provider is at a distant site. A  
380.2 communication between licensed health care providers, or a licensed health care provider  
380.3 and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission  
380.4 does not constitute telemedicine consultations or services. Telemedicine may be provided  
380.5 by means of real-time two-way, interactive audio and visual communications, including the  
380.6 application of secure video conferencing or store-and-forward technology to provide or  
380.7 support health care delivery, which facilitate the assessment, diagnosis, consultation,  
380.8 treatment, education, and care management of a patient's health care.

380.9 (e) For purposes of this section, "licensed health care provider" means a licensed health  
380.10 care provider under section 62A.671, subdivision 6, ~~and~~; a community paramedic as defined  
380.11 under section 144E.001, subdivision 5f; or a mental health practitioner defined under section  
380.12 245.462, subdivision 17, or 245.4871, subdivision 26, working under the general supervision  
380.13 of a mental health professional; "health care provider" is defined under section 62A.671,  
380.14 subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

380.15 (f) The limit on coverage of three telemedicine services per enrollee per calendar week  
380.16 does not apply if:

380.17 (1) the telemedicine services provided by the licensed health care provider are for the  
380.18 treatment and control of tuberculosis; and

380.19 (2) the services are provided in a manner consistent with the recommendations and best  
380.20 practices specified by the Centers for Disease Control and Prevention.

380.21 Sec. 6. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 17, is  
380.22 amended to read:

380.23 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"  
380.24 means motor vehicle transportation provided by a public or private person that serves  
380.25 Minnesota health care program beneficiaries who do not require emergency ambulance  
380.26 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

380.27 (b) Medical assistance covers medical transportation costs incurred solely for obtaining  
380.28 emergency medical care or transportation costs incurred by eligible persons in obtaining  
380.29 emergency or nonemergency medical care when paid directly to an ambulance company,  
380.30 nonemergency medical transportation company, or other recognized providers of  
380.31 transportation services. Medical transportation must be provided by:

380.32 (1) nonemergency medical transportation providers who meet the requirements of this  
380.33 subdivision;

381.1 (2) ambulances, as defined in section 144E.001, subdivision 2;

381.2 (3) taxicabs that meet the requirements of this subdivision;

381.3 (4) public transit, as defined in section 174.22, subdivision 7; or

381.4 (5) not-for-hire vehicles, including volunteer drivers.

381.5 (c) Medical assistance covers nonemergency medical transportation provided by  
381.6 nonemergency medical transportation providers enrolled in the Minnesota health care  
381.7 programs. All nonemergency medical transportation providers must comply with the  
381.8 operating standards for special transportation service as defined in sections 174.29 to 174.30  
381.9 and Minnesota Rules, chapter 8840, ~~and in consultation with the Minnesota Department of~~  
381.10 ~~Transportation.~~ All drivers providing nonemergency medical transportation must be  
381.11 individually enrolled with the commissioner if the driver is a subcontractor for or employed  
381.12 by a provider that both has a base of operation located within a metropolitan county listed  
381.13 in section 437.121, subdivision 4, and is listed in paragraph (b), clause (1) or (3). All  
381.14 nonemergency medical transportation providers shall bill for nonemergency medical  
381.15 transportation services in accordance with Minnesota health care programs criteria. Publicly  
381.16 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the  
381.17 requirements outlined in this paragraph.

381.18 (d) An organization may be terminated, denied, or suspended from enrollment if:

381.19 (1) the provider has not initiated background studies on the individuals specified in  
381.20 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

381.21 (2) the provider has initiated background studies on the individuals specified in section  
381.22 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

381.23 (i) the commissioner has sent the provider a notice that the individual has been  
381.24 disqualified under section 245C.14; and

381.25 (ii) the individual has not received a disqualification set-aside specific to the special  
381.26 transportation services provider under sections 245C.22 and 245C.23.

381.27 (e) The administrative agency of nonemergency medical transportation must:

381.28 (1) adhere to the policies defined by the commissioner in consultation with the  
381.29 Nonemergency Medical Transportation Advisory Committee;

381.30 (2) pay nonemergency medical transportation providers for services provided to  
381.31 Minnesota health care programs beneficiaries to obtain covered medical services;

382.1 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
382.2 trips, and number of trips by mode; and

382.3 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single  
382.4 administrative structure assessment tool that meets the technical requirements established  
382.5 by the commissioner, reconciles trip information with claims being submitted by providers,  
382.6 and ensures prompt payment for nonemergency medical transportation services.

382.7 (f) Until the commissioner implements the single administrative structure and delivery  
382.8 system under subdivision 18e, clients shall obtain their level-of-service certificate from the  
382.9 commissioner or an entity approved by the commissioner that does not dispatch rides for  
382.10 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

382.11 (g) The commissioner may use an order by the recipient's attending physician or a medical  
382.12 or mental health professional to certify that the recipient requires nonemergency medical  
382.13 transportation services. Nonemergency medical transportation providers shall perform  
382.14 driver-assisted services for eligible individuals, when appropriate. Driver-assisted service  
382.15 includes passenger pickup at and return to the individual's residence or place of business,  
382.16 assistance with admittance of the individual to the medical facility, and assistance in  
382.17 passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

382.18 Nonemergency medical transportation providers must take clients to the health care  
382.19 provider using the most direct route, and must not exceed 30 miles for a trip to a primary  
382.20 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
382.21 authorization from the local agency.

382.22 Nonemergency medical transportation providers may not bill for separate base rates for  
382.23 the continuation of a trip beyond the original destination. Nonemergency medical  
382.24 transportation providers must maintain trip logs, which include pickup and drop-off times,  
382.25 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
382.26 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
382.27 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
382.28 services.

382.29 (h) The administrative agency shall use the level of service process established by the  
382.30 commissioner in consultation with the Nonemergency Medical Transportation Advisory  
382.31 Committee to determine the client's most appropriate mode of transportation. If public transit  
382.32 or a certified transportation provider is not available to provide the appropriate service mode  
382.33 for the client, the client may receive a onetime service upgrade.

382.34 (i) The covered modes of transportation are:

383.1 (1) client reimbursement, which includes client mileage reimbursement provided to  
383.2 clients who have their own transportation, or to family or an acquaintance who provides  
383.3 transportation to the client;

383.4 (2) volunteer transport, which includes transportation by volunteers using their own  
383.5 vehicle;

383.6 (3) unassisted transport, which includes transportation provided to a client by a taxicab  
383.7 or public transit. If a taxicab or public transit is not available, the client can receive  
383.8 transportation from another nonemergency medical transportation provider;

383.9 (4) assisted transport, which includes transport provided to clients who require assistance  
383.10 by a nonemergency medical transportation provider;

383.11 (5) lift-equipped/ramp transport, which includes transport provided to a client who is  
383.12 dependent on a device and requires a nonemergency medical transportation provider with  
383.13 a vehicle containing a lift or ramp;

383.14 (6) protected transport, which includes transport provided to a client who has received  
383.15 a prescreening that has deemed other forms of transportation inappropriate and who requires  
383.16 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety  
383.17 locks, a video recorder, and a transparent thermoplastic partition between the passenger and  
383.18 the vehicle driver; and (ii) who is certified as a protected transport provider; and

383.19 (7) stretcher transport, which includes transport for a client in a prone or supine position  
383.20 and requires a nonemergency medical transportation provider with a vehicle that can transport  
383.21 a client in a prone or supine position.

383.22 (j) The local agency shall be the single administrative agency and shall administer and  
383.23 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the  
383.24 commissioner has developed, made available, and funded the Web-based single  
383.25 administrative structure, assessment tool, and level of need assessment under subdivision  
383.26 18e. The local agency's financial obligation is limited to funds provided by the state or  
383.27 federal government.

383.28 (k) The commissioner shall:

383.29 (1) in consultation with the Nonemergency Medical Transportation Advisory Committee,  
383.30 verify that the mode and use of nonemergency medical transportation is appropriate;

383.31 (2) verify that the client is going to an approved medical appointment; and

383.32 (3) investigate all complaints and appeals.

384.1 (l) The administrative agency shall pay for the services provided in this subdivision and  
384.2 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,  
384.3 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary  
384.4 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

384.5 (m) Payments for nonemergency medical transportation must be paid based on the client's  
384.6 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The  
384.7 medical assistance reimbursement rates for nonemergency medical transportation services  
384.8 that are payable by or on behalf of the commissioner for nonemergency medical  
384.9 transportation services are:

384.10 (1) \$0.22 per mile for client reimbursement;

384.11 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer  
384.12 transport;

384.13 (3) equivalent to the standard fare for unassisted transport when provided by public  
384.14 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency  
384.15 medical transportation provider;

384.16 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

384.17 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

384.18 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

384.19 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for  
384.20 an additional attendant if deemed medically necessary.

384.21 (n) The base rate for nonemergency medical transportation services in areas defined  
384.22 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in  
384.23 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation  
384.24 services in areas defined under RUCA to be rural or super rural areas is:

384.25 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage  
384.26 rate in paragraph (m), clauses (1) to (7); and

384.27 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage  
384.28 rate in paragraph (m), clauses (1) to (7).

384.29 (o) For purposes of reimbursement rates for nonemergency medical transportation  
384.30 services under paragraphs (m) and (n), the zip code of the recipient's place of residence  
384.31 shall determine whether the urban, rural, or super rural reimbursement rate applies.

385.1 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means  
385.2 a census-tract based classification system under which a geographical area is determined  
385.3 to be urban, rural, or super rural.

385.4 (q) The commissioner, when determining reimbursement rates for nonemergency medical  
385.5 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed  
385.6 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

385.7 **EFFECTIVE DATE.** Paragraph (c) is effective January 1, 2019.

385.8 Sec. 7. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
385.9 to read:

385.10 **Subd. 17d. Transportation services oversight.** The commissioner shall contract with  
385.11 a vendor or dedicate staff for oversight of providers of nonemergency medical transportation  
385.12 services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules,  
385.13 parts 9505.2160 to 9505.2245.

385.14 **EFFECTIVE DATE.** This section is July 1, 2018.

385.15 Sec. 8. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
385.16 to read:

385.17 **Subd. 17e. Transportation provider termination.** (a) A terminated nonemergency  
385.18 medical transportation provider, including all named individuals on the current enrollment  
385.19 disclosure form and known or discovered affiliates of the nonemergency medical  
385.20 transportation provider, is not eligible to enroll as a nonemergency medical transportation  
385.21 provider for five years following the termination.

385.22 (b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a  
385.23 nonemergency medical transportation provider, the nonemergency medical transportation  
385.24 provider must be placed on a one-year probation period. During a provider's probation  
385.25 period, the commissioner shall complete unannounced site visits and request documentation  
385.26 to review compliance with program requirements.

385.27 **EFFECTIVE DATE.** This section is effective July 1, 2018.

385.28 Sec. 9. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
385.29 to read:

385.30 **Subd. 17f. Transportation provider training.** The commissioner shall make available  
385.31 to providers of nonemergency medical transportation and all drivers training materials and

386.1 online training opportunities regarding documentation requirements, documentation  
386.2 procedures, and penalties for failing to meet documentation requirements.

386.3 Sec. 10. Minnesota Statutes 2016, section 256B.0625, subdivision 58, is amended to read:

386.4 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.** (a) Medical  
386.5 assistance covers early and periodic screening, diagnosis, and treatment services (EPSDT).  
386.6 The payment amount for a complete EPSDT screening shall not include charges for health  
386.7 care services and products that are available at no cost to the provider and shall not exceed  
386.8 the rate established per Minnesota Rules, part 9505.0445, item M, effective October 1, 2010.

386.9 (b) A provider is not required to perform as part of an EPSDT screening any of the  
386.10 recommendations that were added on or after January 1, 2017, to the child and teen checkup  
386.11 program periodicity schedule, in order to receive the full payment amount for a complete  
386.12 EPSDT screening. This paragraph expires January 1, 2021.

386.13 (c) The commissioner shall inform the chairs and ranking minority members of the  
386.14 legislative committees with jurisdiction over health and human services of any new  
386.15 recommendations added to an EPSDT screening after January 1, 2018, that the provider is  
386.16 required to perform as part of an EPSDT screening to receive the full payment amount.

386.17 Sec. 11. **[256B.758] REIMBURSEMENT FOR DOULA SERVICES.**

386.18 Effective for services provided on or after July 1, 2018, payments for doula services  
386.19 provided by a certified doula shall be \$47 per prenatal or postpartum visit, up to a total of  
386.20 six visits; and \$488 for attending and providing doula services at a birth.

386.21 Sec. 12. Laws 2017, First Special Session chapter 6, article 4, section 61, is amended to  
386.22 read:

386.23 Sec. 61. **CAPITATION PAYMENT DELAY.**

386.24 (a) The commissioner of human services shall delay the medical assistance capitation  
386.25 payment to managed care plans and county-based purchasing plans due in May 2019 until  
386.26 July 1, 2019. The payment shall be made no earlier than July 1, 2019, and no later than July  
386.27 31, 2019.

386.28 (b) The commissioner of human services shall delay the medical assistance capitation  
386.29 payment to managed care plans and county-based purchasing plans due in May 2021 until  
386.30 July 1, 2021. The payment shall be made no earlier than July 1, 2021, and no later than July

387.1 31, 2021. This paragraph does not apply to the capitation payment for adults without  
387.2 dependent children.

387.3 Sec. 13. **DIRECTION TO COMMISSIONER.**

387.4 By August 1, 2020, the commissioner of human services shall issue a report to the chairs  
387.5 and ranking minority members of the house of representatives and senate committees with  
387.6 jurisdiction over health and human services. The commissioner must include in the report  
387.7 the commissioner's findings regarding the impact of driver enrollment under Minnesota  
387.8 Statutes, section 256B.0625, subdivision 17, paragraph (c), on the program integrity of the  
387.9 nonemergency medical transportation program. The commissioner must include a  
387.10 recommendation, based on the findings in the report, regarding expanding the driver  
387.11 enrollment requirement.

387.12 Sec. 14. **MINNESOTA HEALTH POLICY COMMISSION; FIRST**  
387.13 **APPOINTMENTS; FIRST MEETING.**

387.14 The Health Policy Commission Advisory Council shall make its recommendations under  
387.15 Minnesota Statutes, section 62J.90, subdivision 9, for candidates to serve on the Minnesota  
387.16 Health Policy Commission to the Legislative Coordinating Commission by September 30,  
387.17 2018. The Legislative Coordinating Commission shall make the first appointments of public  
387.18 members to the Minnesota Health Policy Commission under Minnesota Statutes, section  
387.19 62J.90, by January 15, 2019. The Legislative Coordinating Commission shall designate five  
387.20 members to serve terms that are coterminous with the governor and six members to serve  
387.21 terms that end on the first Monday in January one year after the terms of the other members  
387.22 conclude. The director of the Legislative Coordinating Commission shall convene the first  
387.23 meeting of the Minnesota Health Policy Commission by June 15, 2019, and shall act as the  
387.24 chair until the commission elects a chair at its first meeting.

387.25 Sec. 15. **PAIN MANAGEMENT.**

387.26 (a) The Health Services Policy Committee established under Minnesota Statutes, section  
387.27 256B.0625, subdivision 3c, shall evaluate and make recommendations on the integration  
387.28 of nonpharmacologic pain management that are clinically viable and sustainable; reduce or  
387.29 eliminate chronic pain conditions; improve functional status; and prevent addiction and  
387.30 reduce dependence on opiates or other pain medications. The recommendations must be  
387.31 based on best practices for the effective treatment of musculoskeletal pain provided by  
387.32 health practitioners identified in paragraph (b), and covered under medical assistance. Each  
387.33 health practitioner represented under paragraph (b) shall present the minimum best integrated

388.1 practice recommendations, policies, and scientific evidence for nonpharmacologic treatment  
388.2 options for eliminating pain and improving functional status within their full professional  
388.3 scope. Recommendations for integration of services may include guidance regarding  
388.4 screening for co-occurring behavioral health diagnoses; protocols for communication between  
388.5 all providers treating a unique individual, including protocols for follow-up; and universal  
388.6 mechanisms to assess improvements in functional status.

388.7 (b) In evaluating and making recommendations, the Health Services Policy Committee  
388.8 shall consult and collaborate with the following health practitioners: acupuncture practitioners  
388.9 licensed under Minnesota Statutes, chapter 147B; chiropractors licensed under Minnesota  
388.10 Statutes, sections 148.01 to 148.10; physical therapists licensed under Minnesota Statutes,  
388.11 sections 148.68 to 148.78; medical and osteopathic physicians licensed under Minnesota  
388.12 Statutes, chapter 147, and advanced practice registered nurses licensed under Minnesota  
388.13 Statutes, sections 148.171 to 148.285, with experience in providing primary care  
388.14 collaboratively within a multidisciplinary team of health care practitioners who employ  
388.15 nonpharmacologic pain therapies; and psychologists licensed under Minnesota Statutes,  
388.16 section 148.907.

388.17 (c) The commissioner shall submit a progress report to the chairs and ranking minority  
388.18 members of the legislative committees with jurisdiction over health and human services  
388.19 policy and finance by January 15, 2019, and shall report final recommendations by August  
388.20 1, 2019. The final report may also contain recommendations for developing and implementing  
388.21 a pilot program to assess the clinical viability, sustainability, and effectiveness of integrated  
388.22 nonpharmacologic, multidisciplinary treatments for managing musculoskeletal pain and  
388.23 improving functional status.

388.24 Sec. 16. **REPEALER.**

388.25 (a) Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 31c, is repealed.

388.26 (b) Minnesota Statutes 2016, section 256B.0625, subdivision 18b, is repealed.

## 388.27 **ARTICLE 23**

### 388.28 **HEALTH DEPARTMENT**

388.29 Section 1. Minnesota Statutes 2016, section 62D.115, subdivision 4, is amended to read:

388.30 Subd. 4. **Records.** (a) Each health maintenance organization shall maintain records of  
388.31 all quality of care complaints and their resolution and retain those records for five years.  
388.32 Notwithstanding section 145.64, upon written request of the enrollee or individual who

389.1 made the complaint, the commissioner shall require the health maintenance organization  
389.2 to provide a record of the resolution of the complaint to the commissioner. The record must  
389.3 be provided within 45 days of receipt of the request from the enrollee or individual making  
389.4 the complaint. For purposes of this subdivision, the record provided to the commissioner  
389.5 is limited to information on the resolution of the complaint, the conclusion of the  
389.6 investigation, and any corrective action plan.

389.7 (b) Information provided to the commissioner according to this subdivision is classified  
389.8 as confidential data on individuals or protected nonpublic data as defined in section 13.02,  
389.9 subdivision 3 or 13, provided that information that does not identify individuals, including  
389.10 individuals participating in or the subject of peer review, is accessible to the enrollee or  
389.11 individual who made the complaint. To the extent records provided to the commissioner or  
389.12 an enrollee or complainant under this subdivision are subject to peer protection confidentiality  
389.13 under state or federal law, those records are not subject to discovery or subpoena and may  
389.14 not be included or referenced in a court file, introduced into evidence, or used to obtain an  
389.15 affidavit of expert review under section 145.682. This subdivision does not prohibit the use  
389.16 in a civil action of information, documents, or records subject to discovery or otherwise  
389.17 available from original sources.

389.18 Sec. 2. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 2, is amended  
389.19 to read:

389.20 Subd. 2. **Boring.** "Boring" means a hole or excavation that ~~is not used to extract water~~  
389.21 ~~and~~ includes exploratory borings, bored geothermal heat exchangers, temporary borings,  
389.22 and elevator borings.

389.23 Sec. 3. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 8a, is amended  
389.24 to read:

389.25 Subd. 8a. **Environmental well.** "Environmental well" means an excavation 15 or more  
389.26 feet in depth that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed  
389.27 to:

389.28 (1) conduct physical, chemical, or biological testing of groundwater, and includes a  
389.29 groundwater quality monitoring or sampling well;

389.30 (2) lower a groundwater level to control or remove contamination in groundwater, and  
389.31 includes a remedial well and excludes horizontal trenches; or

390.1 (3) monitor or measure physical, chemical, radiological, or biological parameters of the  
 390.2 earth and earth fluids, or for vapor recovery or venting systems. An environmental well  
 390.3 includes an excavation used to:

390.4 (i) measure groundwater levels, including a piezometer;

390.5 (ii) determine groundwater flow direction or velocity;

390.6 (iii) measure earth properties such as hydraulic conductivity, bearing capacity, or  
 390.7 resistance;

390.8 (iv) obtain samples of geologic materials for testing or classification; or

390.9 (v) remove or remediate pollution or contamination from groundwater or soil through  
 390.10 the use of a vent, vapor recovery system, or sparge point.

390.11 An environmental well does not include an exploratory boring.

390.12 Sec. 4. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 17a, is amended  
 390.13 to read:

390.14 Subd. 17a. **Temporary ~~environmental well~~ boring.** ~~"Temporary environmental well"~~  
 390.15 ~~means an environmental well as defined in section 103I.005, subdivision 8a, that is sealed~~  
 390.16 ~~within 72 hours of the time construction on the well begins.~~ "Temporary boring" means an  
 390.17 excavation that is 15 feet or more in depth that is sealed within 72 hours of the start of  
 390.18 construction and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

390.19 (1) conduct physical, chemical, or biological testing of groundwater, including  
 390.20 groundwater quality monitoring;

390.21 (2) monitor or measure physical, chemical, radiological, or biological parameters of  
 390.22 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or  
 390.23 resistance;

390.24 (3) measure groundwater levels, including use of a piezometer;

390.25 (4) determine groundwater flow direction or velocity; or

390.26 (5) collect samples of geologic materials for testing or classification, or soil vapors for  
 390.27 testing or extraction.

391.1 Sec. 5. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 1, is amended  
391.2 to read:

391.3 Subdivision 1. **Notification required.** (a) Except as provided in paragraph (d), a person  
391.4 may not construct a water-supply, dewatering, or environmental well until a notification of  
391.5 the proposed well on a form prescribed by the commissioner is filed with the commissioner  
391.6 with the filing fee in section 103I.208, and, when applicable, the person has met the  
391.7 requirements of paragraph (e). If after filing the well notification an attempt to construct a  
391.8 well is unsuccessful, a new notification is not required unless the information relating to  
391.9 the successful well has substantially changed. A notification is not required prior to  
391.10 construction of a temporary ~~environmental well~~ boring.

391.11 (b) The property owner, the property owner's agent, or the licensed contractor where a  
391.12 well is to be located must file the well notification with the commissioner.

391.13 (c) The well notification under this subdivision preempts local permits and notifications,  
391.14 and counties or home rule charter or statutory cities may not require a permit or notification  
391.15 for wells unless the commissioner has delegated the permitting or notification authority  
391.16 under section 103I.111.

391.17 (d) A person who is an individual that constructs a drive point water-supply well on  
391.18 property owned or leased by the individual for farming or agricultural purposes or as the  
391.19 individual's place of abode must notify the commissioner of the installation and location of  
391.20 the well. The person must complete the notification form prescribed by the commissioner  
391.21 and mail it to the commissioner by ten days after the well is completed. A fee may not be  
391.22 charged for the notification. A person who sells drive point wells at retail must provide  
391.23 buyers with notification forms and informational materials including requirements regarding  
391.24 wells, their location, construction, and disclosure. The commissioner must provide the  
391.25 notification forms and informational materials to the sellers.

391.26 (e) When the operation of a well will require an appropriation permit from the  
391.27 commissioner of natural resources, a person may not begin construction of the well until  
391.28 the person submits the following information to the commissioner of natural resources:

391.29 (1) the location of the well;

391.30 (2) the formation or aquifer that will serve as the water source;

391.31 (3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be  
391.32 requested in the appropriation permit; and

392.1 (4) other information requested by the commissioner of natural resources that is necessary  
392.2 to conduct the preliminary assessment required under section 103G.287, subdivision 1,  
392.3 paragraph (c).

392.4 The person may begin construction after receiving preliminary approval from the  
392.5 commissioner of natural resources.

392.6 Sec. 6. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 4, is amended  
392.7 to read:

392.8 Subd. 4. **License required.** (a) Except as provided in paragraph (b), (c), (d), or (e),  
392.9 section 103I.401, subdivision 2, or 103I.601, subdivision 2, a person may not drill, construct,  
392.10 repair, or seal a well or boring unless the person has a well contractor's license in possession.

392.11 (b) A person may construct, repair, and seal an environmental well or temporary boring  
392.12 if the person:

392.13 (1) is a professional engineer licensed under sections 326.02 to 326.15 in the branches  
392.14 of civil or geological engineering;

392.15 (2) is a hydrologist or hydrogeologist certified by the American Institute of Hydrology;

392.16 (3) is a professional geoscientist licensed under sections 326.02 to 326.15;

392.17 (4) is a geologist certified by the American Institute of Professional Geologists; or

392.18 (5) meets the qualifications established by the commissioner in rule.

392.19 A person must be licensed by the commissioner as an environmental well contractor on  
392.20 forms provided by the commissioner.

392.21 (c) A person may do the following work with a limited well/boring contractor's license  
392.22 in possession. A separate license is required for each of the four activities:

392.23 (1) installing, repairing, and modifying well screens, pitless units and pitless adaptors,  
392.24 well pumps and pumping equipment, and well casings from the pitless adaptor or pitless  
392.25 unit to the upper termination of the well casing;

392.26 (2) sealing wells and borings;

392.27 (3) constructing, repairing, and sealing dewatering wells; or

392.28 (4) constructing, repairing, and sealing bored geothermal heat exchangers.

392.29 (d) A person may construct, repair, and seal an elevator boring with an elevator boring  
392.30 contractor's license.

393.1 (e) Notwithstanding other provisions of this chapter requiring a license, a license is not  
 393.2 required for a person who complies with the other provisions of this chapter if the person  
 393.3 is:

393.4 (1) an individual who constructs a water-supply well on land that is owned or leased by  
 393.5 the individual and is used by the individual for farming or agricultural purposes or as the  
 393.6 individual's place of abode; or

393.7 (2) an individual who performs labor or services for a contractor licensed under the  
 393.8 provisions of this chapter in connection with the construction, sealing, or repair of a well  
 393.9 or boring at the direction and under the personal supervision of a contractor licensed under  
 393.10 the provisions of this chapter; ~~or.~~

393.11 ~~(3) a licensed plumber who is repairing submersible pumps or water pipes associated~~  
 393.12 ~~with well water systems if: (i) the repair location is within an area where there is no licensed~~  
 393.13 ~~well contractor within 50 miles, and (ii) the licensed plumber complies with all relevant~~  
 393.14 ~~sections of the plumbing code.~~

393.15 Sec. 7. Minnesota Statutes 2016, section 103I.205, subdivision 9, is amended to read:

393.16 Subd. 9. **Report of work.** Within ~~30~~ 60 days after completion or sealing of a well or  
 393.17 boring, the person doing the work must submit a verified report to the commissioner  
 393.18 containing the information specified by rules adopted under this chapter.

393.19 Within 30 days after receiving the report, the commissioner shall send or otherwise  
 393.20 provide access to a copy of the report to the commissioner of natural resources, to the local  
 393.21 soil and water conservation district where the well is located, and to the director of the  
 393.22 Minnesota Geological Survey.

393.23 Sec. 8. Minnesota Statutes 2017 Supplement, section 103I.208, subdivision 1, is amended  
 393.24 to read:

393.25 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property  
 393.26 owner is:

393.27 (1) for construction of a water supply well, \$275, which includes the state core function  
 393.28 fee;

393.29 (2) for a well sealing, \$75 for each well or boring, which includes the state core function  
 393.30 fee, except that a single fee of \$75 is required for all temporary ~~environmental wells~~ borings  
 393.31 recorded on the sealing notification for a single property, ~~having depths within a 25-foot~~  
 393.32 ~~range, and sealed within 72 hours of start of construction, except that temporary borings~~

394.1 less than 25 feet in depth are exempt from the notification and fee requirements in this  
394.2 chapter;

394.3 (3) for construction of a dewatering well, \$275, which includes the state core function  
394.4 fee, for each dewatering well except a dewatering project comprising five or more dewatering  
394.5 wells shall be assessed a single fee of \$1,375 for the dewatering wells recorded on the  
394.6 notification; and

394.7 (4) for construction of an environmental well, \$275, which includes the state core function  
394.8 fee, except that a single fee of \$275 is required for all environmental wells recorded on the  
394.9 notification that are located on a single property, and except that no fee is required for  
394.10 construction of a temporary ~~environmental well~~ boring.

394.11 Sec. 9. Minnesota Statutes 2017 Supplement, section 103I.235, subdivision 3, is amended  
394.12 to read:

394.13 Subd. 3. **Temporary ~~environmental well~~ boring and unsuccessful well exemption.**  
394.14 This section does not apply to temporary ~~environmental wells~~ borings or unsuccessful wells  
394.15 that have been sealed by a licensed contractor in compliance with this chapter.

394.16 Sec. 10. Minnesota Statutes 2016, section 103I.301, subdivision 6, is amended to read:

394.17 Subd. 6. **Notification required.** A person may not seal a well or boring until a notification  
394.18 of the proposed sealing is filed as prescribed by the commissioner. Temporary borings less  
394.19 than 25 feet in depth are exempt from the notification requirements in this chapter.

394.20 Sec. 11. Minnesota Statutes 2017 Supplement, section 103I.601, subdivision 4, is amended  
394.21 to read:

394.22 Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory  
394.23 boring, an explorer must submit to the commissioner of health a notification of the proposed  
394.24 boring ~~on a form prescribed by the commissioner,~~ map and a fee of \$275 for each exploratory  
394.25 ~~boring~~.

394.26 (b) By ten days before beginning exploratory boring, an explorer must submit to the  
394.27 commissioners of health and natural resources a county road map on a single sheet of paper  
394.28 that is 8-1/2 inches by 11 inches in size and having a scale of one-half inch equal to one  
394.29 mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic  
394.30 map (1:24,000 scale), as prepared by the United States Geological Survey, showing the  
394.31 location of each proposed exploratory boring to the nearest estimated 40 acre parcel.

395.1 Exploratory boring that is proposed on the map may not be commenced later than 180 days  
395.2 after submission of the map, unless a new map is submitted.

395.3 Sec. 12. Minnesota Statutes 2016, section 144.121, subdivision 1a, is amended to read:

395.4 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing  
395.5 radiation-producing equipment must pay an annual initial or annual renewal registration  
395.6 fee consisting of a base facility fee of \$100 and an additional fee for each radiation source,  
395.7 as follows:

395.8	(1) medical or veterinary equipment	\$ 100
395.9	(2) dental x-ray equipment	\$ 40
395.10	(3) x-ray equipment not used on	\$ 100
395.11	humans or animals	
395.12	(4) devices with sources of ionizing	\$ 100
395.13	radiation not used on humans or	
395.14	animals	
395.15	(5) <u>security screening system</u>	<u>\$ 100</u>

395.16 (b) A facility with radiation therapy and accelerator equipment must pay an annual  
395.17 registration fee of \$500. A facility with an industrial accelerator must pay an annual  
395.18 registration fee of \$150.

395.19 (c) Electron microscopy equipment is exempt from the registration fee requirements of  
395.20 this section.

395.21 (d) For purposes of this section, a security screening system means radiation-producing  
395.22 equipment designed and used for security screening of humans who are in custody of a  
395.23 correctional or detention facility, and is used by the facility to image and identify contraband  
395.24 items concealed within or on all sides of a human body. For purposes of this section, a  
395.25 correctional or detention facility is a facility licensed by the commissioner of corrections  
395.26 under section 241.021, and operated by a state agency or political subdivision charged with  
395.27 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

395.28 Sec. 13. Minnesota Statutes 2016, section 144.121, is amended by adding a subdivision  
395.29 to read:

395.30 Subd. 9. **Exemption from examination requirements; operators of security screening**  
395.31 **systems.** (a) An employee of a correctional or detention facility who operates a security  
395.32 screening system and the facility in which the system is being operated are exempt from  
395.33 the requirements of subdivisions 5 and 6.

396.1 (b) An employee of a correctional or detention facility who operates a security screening  
396.2 system and the facility in which the system is being operated must meet the requirements  
396.3 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota  
396.4 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year  
396.5 that the permanent rules adopted by the commissioner governing security screening systems  
396.6 are published in the State Register.

396.7 **EFFECTIVE DATE.** This section is effective 30 days following final enactment.

396.8 **Sec. 14. [144.397] STATEWIDE TOBACCO CESSATION SERVICES.**

396.9 (a) The commissioner of health shall administer, or contract for the administration of,  
396.10 statewide tobacco cessation services to assist Minnesotans who are seeking advice or services  
396.11 to help them quit using tobacco products. The commissioner shall establish statewide public  
396.12 awareness activities to inform the public of the availability of the services and encourage  
396.13 the public to utilize the services because of the dangers and harm of tobacco use and  
396.14 dependence.

396.15 (b) Services to be provided may include, but are not limited to:

396.16 (1) telephone-based coaching and counseling;

396.17 (2) referrals;

396.18 (3) written materials mailed upon request;

396.19 (4) Web-based texting or e-mail services; and

396.20 (5) free Food and Drug Administration-approved tobacco cessation medications.

396.21 (c) Services provided must be consistent with evidence-based best practices in tobacco  
396.22 cessation services. Services provided must be coordinated with employer, health plan  
396.23 company, and private sector tobacco prevention and cessation services that may be available  
396.24 to individuals depending on their employment or health coverage.

396.25 **Sec. 15. Laws 2017, First Special Session chapter 6, article 10, section 144, is amended**  
396.26 **to read:**

396.27 **Sec. 144. OPIOID ABUSE PREVENTION PILOT PROJECTS.**

396.28 (a) The commissioner of health shall establish opioid abuse prevention pilot projects in  
396.29 geographic areas throughout the state based on the most recently available data on opioid  
396.30 overdose and abuse rates, to reduce opioid abuse through the use of controlled substance  
396.31 care teams and community-wide coordination of abuse-prevention initiatives. The

397.1 commissioner shall award grants to health care providers, health plan companies, local units  
397.2 of government, tribal governments, or other entities to establish pilot projects.

397.3 (b) Each pilot project must:

397.4 (1) be designed to reduce emergency room and other health care provider visits resulting  
397.5 from opioid use or abuse, and reduce rates of opioid addiction in the community;

397.6 (2) establish multidisciplinary controlled substance care teams, that may consist of  
397.7 physicians, pharmacists, social workers, nurse care coordinators, and mental health  
397.8 professionals;

397.9 (3) deliver health care services and care coordination, through controlled substance care  
397.10 teams, to reduce the inappropriate use of opioids by patients and rates of opioid addiction;

397.11 (4) address any unmet social service needs that create barriers to managing pain  
397.12 effectively and obtaining optimal health outcomes;

397.13 (5) provide prescriber and dispenser education and assistance to reduce the inappropriate  
397.14 prescribing and dispensing of opioids;

397.15 (6) promote the adoption of best practices related to opioid disposal and reducing  
397.16 opportunities for illegal access to opioids; and

397.17 (7) engage partners outside of the health care system, including schools, law enforcement,  
397.18 and social services, to address root causes of opioid abuse and addiction at the community  
397.19 level.

397.20 (c) The commissioner shall contract with an accountable community for health that  
397.21 operates an opioid abuse prevention project, and can document success in reducing opioid  
397.22 use through the use of controlled substance care teams, to assist the commissioner in  
397.23 administering this section, and to provide technical assistance to the commissioner and to  
397.24 entities selected to operate a pilot project.

397.25 (d) The contract under paragraph (c) shall require the accountable community for health  
397.26 to evaluate the extent to which the pilot projects were successful in reducing the inappropriate  
397.27 use of opioids. The evaluation must analyze changes in the number of opioid prescriptions,  
397.28 the number of emergency room visits related to opioid use, and other relevant measures.  
397.29 The accountable community for health shall report evaluation results to the chairs and  
397.30 ranking minority members of the legislative committees with jurisdiction over health and  
397.31 human services policy and finance and public safety by December 15, 2019, for projects  
397.32 that received funding in fiscal year 2018, and by December 15, 2021, for projects that  
397.33 received funding in fiscal year 2019.

398.1 (e) The commissioner may award one grant that, in addition to the other requirements  
398.2 of this section, allows a root cause approach to reduce opioid abuse in an American Indian  
398.3 community.

398.4 Sec. 16. **LOW-VALUE HEALTH SERVICES STUDY.**

398.5 (a) The commissioner of health shall examine and analyze:

398.6 (1) the alignment in health care delivery with specific best practices guidelines or  
398.7 recommendations; and

398.8 (2) health care services and procedures for purposes of identifying, measuring, and  
398.9 potentially eliminating those services or procedures with low value and little benefit to  
398.10 patients. The commissioner shall update and expand on previous work completed by the  
398.11 Department of Health on the prevalence and costs of low-value health care services in  
398.12 Minnesota.

398.13 (b) Notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, the  
398.14 commissioner may use the Minnesota All Payer Claims Database (MN APCD) to conduct  
398.15 the analysis using the most recent data available and may limit the claims research to the  
398.16 Minnesota All Payer Claims Database.

398.17 (c) The commissioner may convene a work group of no more than eight members with  
398.18 demonstrated knowledge and expertise in health care delivery systems, clinical experience,  
398.19 or research experience to make recommendations on services and procedures for the  
398.20 commissioner to analyze under paragraph (a).

398.21 (d) The commissioner shall submit a preliminary report to the chairs and ranking minority  
398.22 members of the legislative committees with jurisdiction over health care by February 1,  
398.23 2019, outlining the work group's recommendations and any early findings from the analysis.  
398.24 The commissioner shall submit a final report containing the completed analysis by January  
398.25 15, 2020. The commissioner may release select research findings as a result of this study  
398.26 throughout the study and analytic process and shall provide the public an opportunity to  
398.27 comment on any research findings before the release of any finding.

398.28 Sec. 17. **OPIOID OVERDOSE REDUCTION PILOT PROGRAM.**

398.29 Subdivision 1. Establishment. The commissioner of health shall provide grants to  
398.30 ambulance services to fund activities by community paramedic teams to reduce opioid  
398.31 overdoses in the state. Under this pilot program, ambulance services shall develop and  
398.32 implement projects in which community paramedics connect with patients who are discharged

399.1 from a hospital or emergency department following an opioid overdose episode, develop  
399.2 personalized care plans for those patients in consultation with the ambulance service medical  
399.3 director, and provide follow-up services to those patients.

399.4 Subd. 2. **Priority areas; services.** (a) In a project developed under this section, an  
399.5 ambulance service must target community paramedic team services to portions of the service  
399.6 area with high levels of opioid use, high death rates from opioid overdoses, and urgent needs  
399.7 for interventions.

399.8 (b) In a project developed under this section, a community paramedic team shall:

399.9 (1) provide services to patients released from a hospital or emergency department  
399.10 following an opioid overdose episode and place priority on serving patients who were  
399.11 administered the opiate antagonist naloxone hydrochloride by emergency medical services  
399.12 personnel in response to a 911 call during the opioid overdose episode;

399.13 (2) provide the following evaluations during an initial home visit: (i) a home safety  
399.14 assessment including whether there is a need to dispose of prescription drugs that are expired  
399.15 or no longer needed; (ii) medication compliance; (iii) an HIV risk assessment; (iv) instruction  
399.16 on the use of naloxone hydrochloride; and (v) a basic needs assessment;

399.17 (3) provide patients with health assessments, chronic disease monitoring and education,  
399.18 and assistance in following hospital discharge orders; and

399.19 (4) work with a multidisciplinary team to address the overall physical and mental health  
399.20 needs of patients and health needs related to substance use disorder treatment.

399.21 (c) An ambulance service receiving a grant under this section may use grant funds to  
399.22 cover the cost of evidence-based training in opioid addiction and recovery treatment.

399.23 Subd. 3. **Evaluation.** An ambulance service that receives a grant under this section shall  
399.24 evaluate the extent to which the project was successful in reducing the number of opioid  
399.25 overdoses and opioid overdose deaths among patients who received services and in reducing  
399.26 the inappropriate use of opioids by patients who received services. The commissioner of  
399.27 health shall develop specific evaluation measures and reporting timelines for ambulance  
399.28 services receiving grants. Ambulance services shall submit the information required by the  
399.29 commissioner to the commissioner and the commissioner shall submit a summary of the  
399.30 information reported by the ambulance services to the chairs and ranking minority members  
399.31 of the legislative committees with jurisdiction over health and human services by December  
399.32 1, 2019.

400.1 **Sec. 18. AUTISM SPECTRUM DISORDER TASK FORCE PLAN.**

400.2 The commissioner of health, in consultation with the commissioners of human services  
400.3 and education, shall submit a plan to the chairs and ranking minority members of the  
400.4 legislative committees with jurisdiction over health care, human services, and education by  
400.5 January 15, 2019, to reconstitute the Autism Spectrum Disorder Task Force originally  
400.6 established in 2011. The plan must include proposed membership of the task force that takes  
400.7 into consideration all points of view and represents a diverse range of agencies, community  
400.8 groups, advocacy organizations, educators, and families.

400.9 **ARTICLE 24**

400.10 **HEALTH COVERAGE**

400.11 Section 1. Minnesota Statutes 2016, section 62A.30, is amended by adding a subdivision  
400.12 to read:

400.13 Subd. 4. **Mammograms.** (a) For purposes of subdivision 2, coverage for a preventive  
400.14 mammogram screening shall include digital breast tomosynthesis for enrollees at risk for  
400.15 breast cancer, and shall be covered as a preventive item or service, as described under section  
400.16 62Q.46.

400.17 (b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic  
400.18 procedure that involves the acquisition of projection images over the stationary breast to  
400.19 produce cross-sectional digital three-dimensional images of the breast. "At risk for breast  
400.20 cancer" means:

400.21 (1) having a family history with one or more first- or second-degree relatives with breast  
400.22 cancer;

400.23 (2) testing positive for BRCA1 or BRCA2 mutations;

400.24 (3) having heterogeneously dense breasts or extremely dense breasts based on the Breast  
400.25 Imaging Reporting and Data System established by the American College of Radiology; or

400.26 (4) having a previous diagnosis of breast cancer.

400.27 (c) This subdivision does not apply to coverage provided through a public health care  
400.28 program under chapter 256B or 256L.

400.29 (d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a  
400.30 policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to  
400.31 January 1, 2018.

401.1 (e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred  
401.2 to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at  
401.3 risk for breast cancer.

401.4 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to health  
401.5 plans issued, sold, or renewed on or after that date.

401.6 **Sec. 2. [62J.824] FACILITY FEE DISCLOSURE.**

401.7 (a) Prior to the delivery of nonemergency services, a provider-based clinic that charges  
401.8 a facility fee shall provide notice to any patient stating that the clinic is part of a hospital  
401.9 and the patient may receive a separate charge or billing for the facility component, which  
401.10 may result in a higher out-of-pocket expense.

401.11 (b) Each health care facility must post prominently in locations easily accessible to and  
401.12 visible by patients, including its Web site, a statement that the provider-based clinic is part  
401.13 of a hospital and the patient may receive a separate charge or billing for the facility, which  
401.14 may result in a higher out-of-pocket expense.

401.15 (c) This section does not apply to laboratory services, imaging services, or other ancillary  
401.16 health services that are provided by staff who are not employed by the health care facility  
401.17 or clinic.

401.18 (d) For purposes of this section:

401.19 (1) "facility fee" means any separate charge or billing by a provider-based clinic in  
401.20 addition to a professional fee for physicians' services that is intended to cover building,  
401.21 electronic medical records systems, billing, and other administrative and operational  
401.22 expenses; and

401.23 (2) "provider-based clinic" means the site of an off-campus clinic or provider office  
401.24 located at least 250 yards from the main hospital buildings or as determined by the Centers  
401.25 for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144  
401.26 or a health system that operates one or more hospitals licensed under chapter 144, and is  
401.27 primarily engaged in providing diagnostic and therapeutic care, including medical history,  
401.28 physical examinations, assessment of health status, and treatment monitoring. This definition  
401.29 does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy,  
401.30 pharmacy, or educational services and does not include facilities designated as rural health  
401.31 clinics.

402.1 Sec. 3. **[62Q.184] STEP THERAPY OVERRIDE.**

402.2 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this  
402.3 subdivision have the meanings given them.

402.4 (b) "Clinical practice guideline" means a systematically developed statement to assist  
402.5 health care providers and enrollees in making decisions about appropriate health care services  
402.6 for specific clinical circumstances and conditions developed independently of a health plan  
402.7 company, pharmaceutical manufacturer, or any entity with a conflict of interest.

402.8 (c) "Clinical review criteria" means the written screening procedures, decision abstracts,  
402.9 clinical protocols, and clinical practice guidelines used by a health plan company to determine  
402.10 the medical necessity and appropriateness of health care services.

402.11 (d) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, but  
402.12 does not include a managed care organization or county-based purchasing plan participating  
402.13 in a public program under chapter 256B or 256L, or an integrated health partnership under  
402.14 section 256B.0755.

402.15 (e) "Step therapy protocol" means a protocol or program that establishes the specific  
402.16 sequence in which prescription drugs for a specified medical condition, including  
402.17 self-administered and physician-administered drugs, are medically appropriate for a particular  
402.18 enrollee and are covered under a health plan.

402.19 (f) "Step therapy override" means that the step therapy protocol is overridden in favor  
402.20 of coverage of the selected prescription drug of the prescribing health care provider because  
402.21 at least one of the conditions of subdivision 3, paragraph (a), exists.

402.22 Subd. 2. Establishment of a step therapy protocol. A health plan company shall  
402.23 consider available recognized evidence-based and peer-reviewed clinical practice guidelines  
402.24 when establishing a step therapy protocol. Upon written request of an enrollee, a health plan  
402.25 company shall provide any clinical review criteria applicable to a specific prescription drug  
402.26 covered by the health plan.

402.27 Subd. 3. Step therapy override process; transparency. (a) When coverage of a  
402.28 prescription drug for the treatment of a medical condition is restricted for use by a health  
402.29 plan company through the use of a step therapy protocol, enrollees and prescribing health  
402.30 care providers shall have access to a clear, readily accessible, and convenient process to  
402.31 request a step therapy override. The process shall be made easily accessible on the health  
402.32 plan company's Web site. A health plan company may use its existing medical exceptions

403.1 process to satisfy this requirement. A health plan company shall grant an override to the  
403.2 step therapy protocol if at least one of the following conditions exist:

403.3 (1) the prescription drug required under the step therapy protocol is contraindicated  
403.4 pursuant to the pharmaceutical manufacturer's prescribing information for the drug or, due  
403.5 to a documented adverse event with a previous use or a documented medical condition,  
403.6 including a comorbid condition, is likely to do any of the following:

403.7 (i) cause an adverse reaction in the enrollee;

403.8 (ii) decrease the ability of the enrollee to achieve or maintain reasonable functional  
403.9 ability in performing daily activities; or

403.10 (iii) cause physical or mental harm to the enrollee;

403.11 (2) the enrollee has had a trial of the required prescription drug covered by their current  
403.12 or previous health plan, or another prescription drug in the same pharmacologic class or  
403.13 with the same mechanism of action, and was adherent during such trial for a period of time  
403.14 sufficient to allow for a positive treatment outcome, and the prescription drug was  
403.15 discontinued by the enrollee's health care provider due to lack of effectiveness, or an adverse  
403.16 event. This clause does not prohibit a health plan company from requiring an enrollee to  
403.17 try another drug in the same pharmacologic class or with the same mechanism of action if  
403.18 that therapy sequence is supported by the evidence-based and peer-reviewed clinical practice  
403.19 guideline, Food and Drug Administration label, or pharmaceutical manufacturer's prescribing  
403.20 information; or

403.21 (3) the enrollee is currently receiving a positive therapeutic outcome on a prescription  
403.22 drug for the medical condition under consideration if, while on their current health plan or  
403.23 the immediately preceding health plan, the enrollee received coverage for the prescription  
403.24 drug and the enrollee's prescribing health care provider gives documentation to the health  
403.25 plan company that the change in prescription drug required by the step therapy protocol is  
403.26 expected to be ineffective or cause harm to the enrollee based on the known characteristics  
403.27 of the specific enrollee and the known characteristics of the required prescription drug.

403.28 (b) Upon granting a step therapy override, a health plan company shall authorize coverage  
403.29 for the prescription drug if the prescription drug is a covered prescription drug under the  
403.30 enrollee's health plan.

403.31 (c) The enrollee, or the prescribing health care provider if designated by the enrollee,  
403.32 may appeal the denial of a step therapy override by a health plan company using the  
403.33 complaint procedure under sections 62Q.68 to 62Q.73.

404.1 (d) In a denial of an override request and any subsequent appeal, a health plan company's  
404.2 decision must specifically state why the step therapy override request did not meet the  
404.3 condition under paragraph (a) cited by the prescribing health care provider in requesting  
404.4 the step therapy override and information regarding the procedure to request external review  
404.5 of the denial pursuant to section 62Q.73. A denial of a request for a step therapy override  
404.6 that is upheld on appeal is a final adverse determination for purposes of section 62Q.73 and  
404.7 is eligible for a request for external review by an enrollee pursuant to section 62Q.73.

404.8 (e) A health plan company shall respond to a step therapy override request or an appeal  
404.9 within five days of receipt of a complete request. In cases where exigent circumstances  
404.10 exist, a health plan company shall respond within 72 hours of receipt of a complete request.  
404.11 If a health plan company does not send a response to the enrollee or prescribing health care  
404.12 provider if designated by the enrollee within the time allotted, the override request or appeal  
404.13 is granted and binding on the health plan company.

404.14 (f) Step therapy override requests must be accessible to and submitted by health care  
404.15 providers, and accepted by group purchasers electronically through secure electronic  
404.16 transmission, as described under section 62J.497, subdivision 5.

404.17 (g) Nothing in this section prohibits a health plan company from:

404.18 (1) requesting relevant documentation from an enrollee's medical record in support of  
404.19 a step therapy override request; or

404.20 (2) requiring an enrollee to try a generic equivalent drug pursuant to section 151.21, or  
404.21 a biosimilar, as defined under United States Code, title 42, section 262(i)(2), prior to  
404.22 providing coverage for the equivalent branded prescription drug.

404.23 (h) This section shall not be construed to allow the use of a pharmaceutical sample for  
404.24 the primary purpose of meeting the requirements for a step therapy override.

404.25 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to health  
404.26 plans offered, issued, or sold on or after that date.

404.27 Sec. 4. Minnesota Statutes 2016, section 151.214, is amended to read:

404.28 **151.214 PAYMENT DISCLOSURE.**

404.29 Subdivision 1. **Explanation of pharmacy benefits.** A pharmacist licensed under this  
404.30 chapter must provide to a patient, for each prescription dispensed where part or all of the  
404.31 cost of the prescription is being paid or reimbursed by an employer-sponsored plan or health  
404.32 plan company, or its contracted pharmacy benefit manager, the patient's co-payment amount

405.1 ~~and~~, the pharmacy's own usual and customary price of the prescription ~~or~~, and the net amount  
 405.2 the pharmacy will be paid for the prescription drug receive from all sources for dispensing  
 405.3 the prescription drug, once the claim has been completed by the patient's employer-sponsored  
 405.4 plan or health plan company, or its contracted pharmacy benefit manager.

405.5 Subd. 2. **No prohibition on disclosure.** No contracting agreement between an  
 405.6 employer-sponsored health plan or health plan company, or its contracted pharmacy benefit  
 405.7 manager, and a resident or nonresident pharmacy ~~registered~~ licensed under this chapter,  
 405.8 may prohibit ~~the~~:

405.9 (1) a pharmacy from disclosing to patients information a pharmacy is required or given  
 405.10 the option to provide under subdivision 1; or

405.11 (2) a pharmacist from informing a patient when the amount the patient is required to  
 405.12 pay under the patient's health plan for a particular drug is greater than the amount the patient  
 405.13 would be required to pay for the same drug if purchased out-of-pocket at the pharmacy's  
 405.14 usual and customary price.

405.15 Sec. 5. Minnesota Statutes 2016, section 151.71, is amended by adding a subdivision to  
 405.16 read:

405.17 Subd. 3. **Synchronization of refills.** (a) For purposes of this subdivision,  
 405.18 "synchronization" means the coordination of prescription drug refills for a patient taking  
 405.19 two or more medications for one or more chronic conditions, to allow the patient's  
 405.20 medications to be refilled on the same schedule for a given period of time.

405.21 (b) A contract between a pharmacy benefit manager and a pharmacy must allow for  
 405.22 synchronization of prescription drug refills for a patient on at least one occasion per year,  
 405.23 if the following criteria are met:

405.24 (1) the prescription drugs are covered under the patient's health plan or have been  
 405.25 approved by a formulary exceptions process;

405.26 (2) the prescription drugs are maintenance medications as defined by the health plan  
 405.27 and have one or more refills available at the time of synchronization;

405.28 (3) the prescription drugs are not Schedule II, III, or IV controlled substances;

405.29 (4) the patient meets all utilization management criteria relevant to the prescription drug  
 405.30 at the time of synchronization;

405.31 (5) the prescription drugs are of a formulation that can be safely split into short-fill  
 405.32 periods to achieve synchronization; and

406.1 (6) the prescription drugs do not have special handling or sourcing needs that require a  
406.2 single, designated pharmacy to fill or refill the prescription.

406.3 (c) When necessary to permit synchronization, the pharmacy benefit manager shall apply  
406.4 a prorated, daily patient cost-sharing rate to any prescription drug dispensed by a pharmacy  
406.5 under this subdivision. The dispensing fee shall not be prorated, and all dispensing fees  
406.6 shall be based on the number of prescriptions filled or refilled.

406.7 Sec. 6. Minnesota Statutes 2017 Supplement, section 152.105, subdivision 2, is amended  
406.8 to read:

406.9 Subd. 2. **Sheriff to maintain collection receptacle or medicine disposal program.** (a)  
406.10 The sheriff of each county shall maintain or contract for the maintenance of at least one  
406.11 collection receptacle or implement a medicine disposal program for the disposal of  
406.12 noncontrolled substances, pharmaceutical controlled substances, and other legend drugs,  
406.13 as permitted by federal law. For purposes of this section, "legend drug" has the meaning  
406.14 given in section 151.01, subdivision 17. The collection receptacle and medicine disposal  
406.15 program must comply with federal law. In maintaining and operating the collection receptacle  
406.16 or medicine disposal program, the sheriff shall follow all applicable provisions of Code of  
406.17 Federal Regulations, title 21, parts 1300, 1301, 1304, 1305, 1307, and 1317, as amended  
406.18 through May 1, 2017.

406.19 (b) For purposes of this subdivision:

406.20 (1) a medicine disposal program means providing to the public educational information,  
406.21 and making materials available for safely destroying unwanted legend drugs, including, but  
406.22 not limited to, drug destruction bags or drops; and

406.23 (2) a collection receptacle means the operation and maintenance of at least one drop-off  
406.24 receptacle.

## 406.25 ARTICLE 25

### 406.26 HEALTH-RELATED LICENSING BOARDS

406.27 Section 1. Minnesota Statutes 2017 Supplement, section 147.01, subdivision 7, is amended  
406.28 to read:

406.29 Subd. 7. **Physician application and license fees.** (a) The board may charge the following  
406.30 nonrefundable application and license fees processed pursuant to sections 147.02, 147.03,  
406.31 147.037, 147.0375, and 147.38:

406.32 (1) physician application fee, \$200;

- 407.1 (2) physician annual registration renewal fee, \$192;
- 407.2 (3) physician endorsement to other states, \$40;
- 407.3 (4) physician emeritus license, \$50;
- 407.4 (5) physician temporary license, \$60;
- 407.5 (6) physician late fee, \$60;
- 407.6 (7) duplicate license fee, \$20;
- 407.7 (8) certification letter fee, \$25;
- 407.8 (9) education or training program approval fee, \$100;
- 407.9 (10) report creation and generation fee, \$60 per hour;
- 407.10 (11) examination administration fee (half day), \$50;
- 407.11 (12) examination administration fee (full day), \$80; ~~and~~
- 407.12 (13) fees developed by the Interstate Commission for determining physician qualification
- 407.13 to register and participate in the interstate medical licensure compact, as established in rules
- 407.14 authorized in and pursuant to section 147.38, not to exceed \$1,000<sub>2</sub>;
- 407.15 (14) verification fee, \$25; and
- 407.16 (15) criminal background check fee, \$32.
- 407.17 (b) The board may prorate the initial annual license fee. All licensees are required to
- 407.18 pay the full fee upon license renewal. The revenue generated from the fee must be deposited
- 407.19 in an account in the state government special revenue fund.

407.20 Sec. 2. Minnesota Statutes 2016, section 147.012, is amended to read:

407.21 **147.012 OVERSIGHT OF ALLIED HEALTH PROFESSIONS.**

407.22 The board has responsibility for the oversight of the following allied health professions:

407.23 physician assistants under chapter 147A<sub>2</sub>; acupuncture practitioners under chapter 147B<sub>2</sub>;

407.24 respiratory care practitioners under chapter 147C<sub>2</sub>; traditional midwives under chapter 147D<sub>2</sub>;

407.25 registered naturopathic doctors under chapter 147E<sub>2</sub>; genetic counselors under chapter 147F,

407.26 and athletic trainers under sections 148.7801 to 148.7815.

408.1 Sec. 3. Minnesota Statutes 2016, section 147.02, is amended by adding a subdivision to  
408.2 read:

408.3 Subd. 7. **Additional renewal requirements.** (a) The licensee must maintain a correct  
408.4 mailing address with the board for receiving board communications, notices, and licensure  
408.5 renewal documents. Placing the license renewal application in first class United States mail,  
408.6 addressed to the licensee at the licensee's last known address with postage prepaid, constitutes  
408.7 valid service. Failure to receive the renewal documents does not relieve a license holder of  
408.8 the obligation to comply with this section.

408.9 (b) The names of licensees who do not return a complete license renewal application,  
408.10 the annual license fee, or the late application fee within 30 days shall be removed from the  
408.11 list of individuals authorized to practice medicine and surgery during the current renewal  
408.12 period. Upon reinstatement of licensure, the licensee's name will be placed on the list of  
408.13 individuals authorized to practice medicine and surgery.

408.14 Sec. 4. Minnesota Statutes 2016, section 147A.06, is amended to read:

408.15 **147A.06 CANCELLATION OF LICENSE FOR NONRENEWAL.**

408.16 Subdivision 1. **Cancellation of license.** The board shall not renew, reissue, reinstate, or  
408.17 restore a license that has lapsed on or after July 1, 1996, and has not been renewed within  
408.18 two annual renewal cycles starting July 1, 1997. A licensee whose license is canceled for  
408.19 nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements  
408.20 then in existence for an initial license to practice as a physician assistant.

408.21 Subd. 2. **Licensure following lapse of licensed status; transition.** (a) A licensee whose  
408.22 license has lapsed under subdivision 1 before January 1, 2019, and who seeks to regain  
408.23 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes  
408.24 of establishing a license renewal schedule, and shall not be subject to the license cycle  
408.25 conversion provisions in section 147A.29.

408.26 (b) This subdivision expires July 1, 2021.

408.27 Sec. 5. Minnesota Statutes 2016, section 147A.07, is amended to read:

408.28 **147A.07 RENEWAL.**

408.29 (a) A person who holds a license as a physician assistant shall annually, upon notification  
408.30 from the board, renew the license by:

408.31 (1) submitting the appropriate fee as determined by the board;

409.1 (2) completing the appropriate forms; and

409.2 (3) meeting any other requirements of the board.

409.3 (b) A licensee must maintain a correct mailing address with the board for receiving board  
409.4 communications, notices, and license renewal documents. Placing the license renewal  
409.5 application in first class United States mail, addressed to the licensee at the licensee's last  
409.6 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
409.7 documents does not relieve a licensee of the obligation to comply with this section.

409.8 (c) The name of a licensee who does not return a complete license renewal application,  
409.9 annual license fee, or late application fee, as applicable, within the time period required by  
409.10 this section shall be removed from the list of individuals authorized to practice during the  
409.11 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
409.12 placed on the list of individuals authorized to practice.

409.13 Sec. 6. Minnesota Statutes 2017 Supplement, section 147A.28, is amended to read:

409.14 **147A.28 PHYSICIAN ASSISTANT APPLICATION AND LICENSE FEES.**

409.15 (a) The board may charge the following nonrefundable fees:

409.16 (1) physician assistant application fee, \$120;

409.17 (2) physician assistant annual registration renewal fee (prescribing authority), \$135;

409.18 (3) physician assistant annual registration renewal fee (no prescribing authority), \$115;

409.19 (4) physician assistant temporary registration, \$115;

409.20 (5) physician assistant temporary permit, \$60;

409.21 (6) physician assistant locum tenens permit, \$25;

409.22 (7) physician assistant late fee, \$50;

409.23 (8) duplicate license fee, \$20;

409.24 (9) certification letter fee, \$25;

409.25 (10) education or training program approval fee, \$100; ~~and~~

409.26 (11) report creation and generation fee, \$60- per hour;

409.27 (12) verification fee, \$25; and

409.28 (13) criminal background check fee, \$32.

410.1 (b) The board may prorate the initial annual license fee. All licensees are required to  
410.2 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
410.3 in an account in the state government special revenue fund.

410.4 **Sec. 7. [147A.29] LICENSE RENEWAL CYCLE CONVERSION.**

410.5 **Subdivision 1. Generally.** The license renewal cycle for physician assistant licensees  
410.6 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
410.7 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
410.8 license renewal procedures for licensees who were licensed before December 31, 2018. The  
410.9 conversion renewal cycle is the renewal cycle following the first license renewal after  
410.10 January 1, 2019. The conversion license period is the license period for the conversion  
410.11 renewal cycle. The conversion license period is between six and 17 months and ends on the  
410.12 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
410.13 2.

410.14 **Subd. 2. Conversion of license renewal cycle for current licensees.** For a licensee  
410.15 whose license is current as of December 31, 2018, the licensee's conversion license period  
410.16 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
410.17 except that for licensees whose month of birth is January, February, March, April, May, or  
410.18 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
410.19 2020.

410.20 **Subd. 3. Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
410.21 applies to an individual who was licensed before December 31, 2018, but whose license is  
410.22 not current as of December 31, 2018. When the individual first renews the license after  
410.23 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
410.24 renewal and ends on the last day of the licensee's month of birth in the same year, except  
410.25 that if the last day of the individual's month of birth is less than six months after the date  
410.26 the individual applies for renewal, then the renewal period ends on the last day of the  
410.27 individual's month of birth in the following year.

410.28 **Subd. 4. Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
410.29 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
410.30 of the month of the licensee's birth.

410.31 **Subd. 5. Conversion period and fees.** (a) A licensee who holds a license issued before  
410.32 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
410.33 renewal fee as required in this subdivision.

411.1 (b) A licensee shall be charged the annual license fee listed in section 147A.28 for the  
411.2 conversion license period.

411.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
411.4 license fee charged after the conversion license period shall be adjusted to credit the excess  
411.5 fee payment made during the conversion license period. The credit is calculated by: (1)  
411.6 subtracting the number of months of the licensee's conversion license period from 12; and  
411.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
411.8 dollar.

411.9 (d) For a licensee whose conversion license period is 12 months, the first annual license  
411.10 fee charged after the conversion license period shall not be adjusted.

411.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
411.12 license fee charged after the conversion license period shall be adjusted to add the annual  
411.13 license fee payment for the months that were not included in the annual license fee paid for  
411.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
411.15 the number of months of the licensee's conversion license period; and (2) multiplying the  
411.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

411.17 (f) For the second and all subsequent license renewals made after the conversion license  
411.18 period, the licensee's annual license fee is as listed in section 147A.28.

411.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

411.20 Sec. 8. Minnesota Statutes 2016, section 147B.02, subdivision 9, is amended to read:

411.21 Subd. 9. **Renewal.** (a) To renew a license an applicant must:

411.22 (1) annually, or as determined by the board, complete a renewal application on a form  
411.23 provided by the board;

411.24 (2) submit the renewal fee;

411.25 (3) provide documentation of current and active NCCAOM certification; or

411.26 (4) if licensed under subdivision 5 or 6, meet the same NCCAOM professional  
411.27 development activity requirements as those licensed under subdivision 7.

411.28 (b) An applicant shall submit any additional information requested by the board to clarify  
411.29 information presented in the renewal application. The information must be submitted within  
411.30 30 days after the board's request, or the renewal request is nullified.

412.1 (c) An applicant must maintain a correct mailing address with the board for receiving  
 412.2 board communications, notices, and license renewal documents. Placing the license renewal  
 412.3 application in first class United States mail, addressed to the applicant at the applicant's last  
 412.4 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
 412.5 documents does not relieve an applicant of the obligation to comply with this section.

412.6 (d) The name of an applicant who does not return a complete license renewal application,  
 412.7 annual license fee, or late application fee, as applicable, within the time period required by  
 412.8 this section shall be removed from the list of individuals authorized to practice during the  
 412.9 current renewal period. If the applicant's license is reinstated, the applicant's name shall be  
 412.10 placed on the list of individuals authorized to practice.

412.11 Sec. 9. Minnesota Statutes 2016, section 147B.02, is amended by adding a subdivision to  
 412.12 read:

412.13 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
 412.14 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to  
 412.15 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
 412.16 purposes of establishing a license renewal schedule, and shall not be subject to the license  
 412.17 cycle conversion provisions in section 147B.09.

412.18 (b) This subdivision expires July 1, 2021.

412.19 Sec. 10. Minnesota Statutes 2017 Supplement, section 147B.08, is amended to read:

412.20 **147B.08 FEES.**

412.21 **Subd. 4. Acupuncturist application and license fees.** (a) The board may charge the  
 412.22 following nonrefundable fees:

412.23 (1) acupuncturist application fee, \$150;

412.24 (2) acupuncturist annual registration renewal fee, \$150;

412.25 (3) acupuncturist temporary registration fee, \$60;

412.26 (4) acupuncturist inactive status fee, \$50;

412.27 (5) acupuncturist late fee, \$50;

412.28 (6) duplicate license fee, \$20;

412.29 (7) certification letter fee, \$25;

412.30 (8) education or training program approval fee, \$100; ~~and~~

413.1 (9) report creation and generation fee, \$60-per hour;

413.2 (10) verification fee, \$25; and

413.3 (11) criminal background check fee, \$32.

413.4 (b) The board may prorate the initial annual license fee. All licensees are required to  
413.5 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
413.6 in an account in the state government special revenue fund.

413.7 Sec. 11. **[147B.09] LICENSE RENEWAL CYCLE CONVERSION.**

413.8 Subdivision 1. **Generally.** The license renewal cycle for acupuncture practitioner licenses  
413.9 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
413.10 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
413.11 license renewal procedures for licensees who were licensed before December 31, 2018. The  
413.12 conversion renewal cycle is the renewal cycle following the first license renewal after  
413.13 January 1, 2019. The conversion license period is the license period for the conversion  
413.14 renewal cycle. The conversion license period is between six and 17 months and ends on the  
413.15 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
413.16 2.

413.17 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
413.18 whose license is current as of December 31, 2018, the licensee's conversion license period  
413.19 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
413.20 except that for licensees whose month of birth is January, February, March, April, May, or  
413.21 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
413.22 2020.

413.23 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
413.24 applies to an individual who was licensed before December 31, 2018, but whose license is  
413.25 not current as of December 31, 2018. When the individual first renews the license after  
413.26 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
413.27 renewal and ends on the last day of the licensee's month of birth in the same year, except  
413.28 that if the last day of the individual's month of birth is less than six months after the date  
413.29 the individual applies for renewal, then the renewal period ends on the last day of the  
413.30 individual's month of birth in the following year.

413.31 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
413.32 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
413.33 of the month of the licensee's birth.

414.1 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
414.2 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
414.3 renewal fee as required in this subdivision.

414.4 (b) A licensee shall be charged the annual license fee listed in section 147B.08 for the  
414.5 conversion license period.

414.6 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
414.7 license fee charged after the conversion license period shall be adjusted to credit the excess  
414.8 fee payment made during the conversion license period. The credit is calculated by: (1)  
414.9 subtracting the number of months of the licensee's conversion license period from 12; and  
414.10 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
414.11 dollar.

414.12 (d) For a licensee whose conversion license period is 12 months, the first annual license  
414.13 fee charged after the conversion license period shall not be adjusted.

414.14 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
414.15 license fee charged after the conversion license period shall be adjusted to add the annual  
414.16 license fee payment for the months that were not included in the annual license fee paid for  
414.17 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
414.18 the number of months of the licensee's conversion license period; and (2) multiplying the  
414.19 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

414.20 (f) For the second and all subsequent license renewals made after the conversion license  
414.21 period, the licensee's annual license fee is as listed in section 147B.08.

414.22 Subd. 6. **Expiration.** This section expires July 1, 2021.

414.23 Sec. 12. Minnesota Statutes 2016, section 147C.15, subdivision 7, is amended to read:

414.24 Subd. 7. **Renewal.** (a) To be eligible for license renewal a licensee must:

414.25 (1) annually, or as determined by the board, complete a renewal application on a form  
414.26 provided by the board;

414.27 (2) submit the renewal fee;

414.28 (3) provide evidence every two years of a total of 24 hours of continuing education  
414.29 approved by the board as described in section 147C.25; and

414.30 (4) submit any additional information requested by the board to clarify information  
414.31 presented in the renewal application. The information must be submitted within 30 days  
414.32 after the board's request, or the renewal request is nullified.

415.1 (b) Applicants for renewal who have not practiced the equivalent of eight full weeks  
415.2 during the past five years must achieve a passing score on retaking the credentialing  
415.3 examination.

415.4 (c) A licensee must maintain a correct mailing address with the board for receiving board  
415.5 communications, notices, and license renewal documents. Placing the license renewal  
415.6 application in first class United States mail, addressed to the licensee at the licensee's last  
415.7 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
415.8 documents does not relieve a licensee of the obligation to comply with this section.

415.9 (d) The name of a licensee who does not return a complete license renewal application,  
415.10 annual license fee, or late application fee, as applicable, within the time period required by  
415.11 this section shall be removed from the list of individuals authorized to practice during the  
415.12 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
415.13 placed on the list of individuals authorized to practice.

415.14 Sec. 13. Minnesota Statutes 2016, section 147C.15, is amended by adding a subdivision  
415.15 to read:

415.16 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
415.17 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to  
415.18 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
415.19 purposes of establishing a license renewal schedule, and shall not be subject to the license  
415.20 cycle conversion provisions in section 147C.45.

415.21 (b) This subdivision expires July 1, 2021.

415.22 Sec. 14. Minnesota Statutes 2017 Supplement, section 147C.40, is amended to read:

415.23 **147C.40 FEES.**

415.24 **Subd. 5. Respiratory therapist application and license fees.** (a) The board may charge  
415.25 the following nonrefundable fees:

415.26 (1) respiratory therapist application fee, \$100;

415.27 (2) respiratory therapist annual registration renewal fee, \$90;

415.28 (3) respiratory therapist inactive status fee, \$50;

415.29 (4) respiratory therapist temporary registration fee, \$90;

415.30 (5) respiratory therapist temporary permit, \$60;

- 416.1 (6) respiratory therapist late fee, \$50;
- 416.2 (7) duplicate license fee, \$20;
- 416.3 (8) certification letter fee, \$25;
- 416.4 (9) education or training program approval fee, \$100; ~~and~~
- 416.5 (10) report creation and generation fee, \$60-per hour;
- 416.6 (11) verification fee, \$25; and
- 416.7 (12) criminal background check fee, \$32.

416.8 (b) The board may prorate the initial annual license fee. All licensees are required to  
 416.9 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
 416.10 in an account in the state government special revenue fund.

416.11 **Sec. 15. [147C.45] LICENSE RENEWAL CYCLE CONVERSION.**

416.12 Subdivision 1. **Generally.** The license renewal cycle for respiratory care practitioner  
 416.13 licensees is converted to an annual cycle where renewal is due on the last day of the licensee's  
 416.14 month of birth. Conversion pursuant to this section begins January 1, 2019. This section  
 416.15 governs license renewal procedures for licensees who were licensed before December 31,  
 416.16 2018. The conversion renewal cycle is the renewal cycle following the first license renewal  
 416.17 after January 1, 2019. The conversion license period is the license period for the conversion  
 416.18 renewal cycle. The conversion license period is between six and 17 months and ends on the  
 416.19 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
 416.20 2.

416.21 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
 416.22 whose license is current as of December 31, 2018, the licensee's conversion license period  
 416.23 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
 416.24 except that for licensees whose month of birth is January, February, March, April, May, or  
 416.25 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
 416.26 2020.

416.27 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
 416.28 applies to an individual who was licensed before December 31, 2018, but whose license is  
 416.29 not current as of December 31, 2018. When the individual first renews the license after  
 416.30 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
 416.31 renewal and ends on the last day of the licensee's month of birth in the same year, except  
 416.32 that if the last day of the individual's month of birth is less than six months after the date

417.1 the individual applies for renewal, then the renewal period ends on the last day of the  
417.2 individual's month of birth in the following year.

417.3 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
417.4 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
417.5 of the month of the licensee's birth.

417.6 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
417.7 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
417.8 renewal fee as required in this subdivision.

417.9 (b) A licensee shall be charged the annual license fee listed in section 147C.40 for the  
417.10 conversion license period.

417.11 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
417.12 license fee charged after the conversion license period shall be adjusted to credit the excess  
417.13 fee payment made during the conversion license period. The credit is calculated by: (1)  
417.14 subtracting the number of months of the licensee's conversion license period from 12; and  
417.15 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
417.16 dollar.

417.17 (d) For a licensee whose conversion license period is 12 months, the first annual license  
417.18 fee charged after the conversion license period shall not be adjusted.

417.19 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
417.20 license fee charged after the conversion license period shall be adjusted to add the annual  
417.21 license fee payment for the months that were not included in the annual license fee paid for  
417.22 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
417.23 the number of months of the licensee's conversion license period; and (2) multiplying the  
417.24 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

417.25 (f) For the second and all subsequent license renewals made after the conversion license  
417.26 period, the licensee's annual license fee is as listed in section 147C.40.

417.27 Subd. 6. **Expiration.** This section expires July 1, 2021.

417.28 Sec. 16. Minnesota Statutes 2016, section 147D.17, subdivision 6, is amended to read:

417.29 Subd. 6. **Renewal.** (a) To be eligible for license renewal, a licensed traditional midwife  
417.30 must:

417.31 (1) complete a renewal application on a form provided by the board;

417.32 (2) submit the renewal fee;

418.1 (3) provide evidence every three years of a total of 30 hours of continuing education  
418.2 approved by the board as described in section 147D.21;

418.3 (4) submit evidence of an annual peer review and update of the licensed traditional  
418.4 midwife's medical consultation plan; and

418.5 (5) submit any additional information requested by the board. The information must be  
418.6 submitted within 30 days after the board's request, or the renewal request is nullified.

418.7 (b) A licensee must maintain a correct mailing address with the board for receiving board  
418.8 communications, notices, and license renewal documents. Placing the license renewal  
418.9 application in first class United States mail, addressed to the licensee at the licensee's last  
418.10 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
418.11 documents does not relieve a licensee of the obligation to comply with this section.

418.12 (c) The name of a licensee who does not return a complete license renewal application,  
418.13 annual license fee, or late application fee, as applicable, within the time period required by  
418.14 this section shall be removed from the list of individuals authorized to practice during the  
418.15 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
418.16 placed on the list of individuals authorized to practice.

418.17 Sec. 17. Minnesota Statutes 2016, section 147D.17, is amended by adding a subdivision  
418.18 to read:

418.19 Subd. 11a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
418.20 whose license has lapsed under subdivision 11 before January 1, 2019, and who seeks to  
418.21 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
418.22 purposes of establishing a license renewal schedule, and shall not be subject to the license  
418.23 cycle conversion provisions in section 147D.29.

418.24 (b) This subdivision expires July 1, 2021.

418.25 Sec. 18. Minnesota Statutes 2016, section 147D.27, is amended by adding a subdivision  
418.26 to read:

418.27 Subd. 5. **Additional fees.** The board may also charge the following nonrefundable fees:

418.28 (1) verification fee, \$25;

418.29 (2) certification letter fee, \$25;

418.30 (3) education or training program approval fee, \$100;

418.31 (4) report creation and generation fee, \$60 per hour;

419.1 (5) duplicate license fee, \$20; and

419.2 (6) criminal background check fee, \$32.

419.3 **Sec. 19. [147D.29] LICENSE RENEWAL CYCLE CONVERSION.**

419.4 Subdivision 1. **Generally.** The license renewal cycle for traditional midwife licensees  
419.5 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
419.6 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
419.7 license renewal procedures for licensees who were licensed before December 31, 2018. The  
419.8 conversion renewal cycle is the renewal cycle following the first license renewal after  
419.9 January 1, 2019. The conversion license period is the license period for the conversion  
419.10 renewal cycle. The conversion license period is between six and 17 months and ends on the  
419.11 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
419.12 2.

419.13 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
419.14 whose license is current as of December 31, 2018, the licensee's conversion license period  
419.15 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
419.16 except that for licensees whose month of birth is January, February, March, April, May, or  
419.17 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
419.18 2020.

419.19 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
419.20 applies to an individual who was licensed before December 31, 2018, but whose license is  
419.21 not current as of December 31, 2018. When the individual first renews the license after  
419.22 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
419.23 renewal and ends on the last day of the licensee's month of birth in the same year, except  
419.24 that if the last day of the individual's month of birth is less than six months after the date  
419.25 the individual applies for renewal, then the renewal period ends on the last day of the  
419.26 individual's month of birth in the following year.

419.27 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
419.28 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
419.29 of the month of the licensee's birth.

419.30 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
419.31 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
419.32 renewal fee as required in this subdivision.

420.1 (b) A licensee shall be charged the annual license fee listed in section 147D.27 for the  
420.2 conversion license period.

420.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
420.4 license fee charged after the conversion license period shall be adjusted to credit the excess  
420.5 fee payment made during the conversion license period. The credit is calculated by: (1)  
420.6 subtracting the number of months of the licensee's conversion license period from 12; and  
420.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
420.8 dollar.

420.9 (d) For a licensee whose conversion license period is 12 months, the first annual license  
420.10 fee charged after the conversion license period shall not be adjusted.

420.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
420.12 license fee charged after the conversion license period shall be adjusted to add the annual  
420.13 license fee payment for the months that were not included in the annual license fee paid for  
420.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
420.15 the number of months of the licensee's conversion license period; and (2) multiplying the  
420.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

420.17 (f) For the second and all subsequent license renewals made after the conversion license  
420.18 period, the licensee's annual license fee is as listed in section 147D.27.

420.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

420.20 Sec. 20. Minnesota Statutes 2016, section 147E.15, subdivision 5, is amended to read:

420.21 Subd. 5. **Renewal.** (a) To be eligible for registration renewal a registrant must:

420.22 (1) annually, or as determined by the board, complete a renewal application on a form  
420.23 provided by the board;

420.24 (2) submit the renewal fee;

420.25 (3) provide evidence of a total of 25 hours of continuing education approved by the  
420.26 board as described in section 147E.25; and

420.27 (4) submit any additional information requested by the board to clarify information  
420.28 presented in the renewal application. The information must be submitted within 30 days  
420.29 after the board's request, or the renewal request is nullified.

420.30 (b) A registrant must maintain a correct mailing address with the board for receiving  
420.31 board communications, notices, and registration renewal documents. Placing the registration  
420.32 renewal application in first class United States mail, addressed to the registrant at the

421.1 registrant's last known address with postage prepaid, constitutes valid service. Failure to  
421.2 receive the renewal documents does not relieve a registrant of the obligation to comply with  
421.3 this section.

421.4 (c) The name of a registrant who does not return a complete registration renewal  
421.5 application, annual registration fee, or late application fee, as applicable, within the time  
421.6 period required by this section shall be removed from the list of individuals authorized to  
421.7 practice during the current renewal period. If the registrant's registration is reinstated, the  
421.8 registrant's name shall be placed on the list of individuals authorized to practice.

421.9 Sec. 21. Minnesota Statutes 2016, section 147E.15, is amended by adding a subdivision  
421.10 to read:

421.11 Subd. 10a. **Registration following lapse of registered status; transition.** (a) A registrant  
421.12 whose registration has lapsed under subdivision 10 before January 1, 2019, and who seeks  
421.13 to regain registered status after January 1, 2019, shall be treated as a first-time registrant  
421.14 only for purposes of establishing a registration renewal schedule, and shall not be subject  
421.15 to the registration cycle conversion provisions in section 147E.45.

421.16 (b) This subdivision expires July 1, 2021.

421.17 Sec. 22. Minnesota Statutes 2016, section 147E.40, subdivision 1, is amended to read:

421.18 Subdivision 1. **Fees.** Fees are as follows:

421.19 (1) registration application fee, \$200;

421.20 (2) renewal fee, \$150;

421.21 (3) late fee, \$75;

421.22 (4) inactive status fee, \$50; ~~and~~

421.23 (5) temporary permit fee, \$25;

421.24 (6) emeritus registration fee, \$50;

421.25 (7) duplicate license fee, \$20;

421.26 (8) certification letter fee, \$25;

421.27 (9) verification fee, \$25;

421.28 (10) education or training program approval fee, \$100; and

421.29 (11) report creation and generation fee, \$60 per hour.

422.1 Sec. 23. **[147E.45] REGISTRATION RENEWAL CYCLE CONVERSION.**

422.2 **Subdivision 1. Generally.** The registration renewal cycle for registered naturopathic  
422.3 doctors is converted to an annual cycle where renewal is due on the last day of the registrant's  
422.4 month of birth. Conversion pursuant to this section begins January 1, 2019. This section  
422.5 governs registration renewal procedures for registrants who were registered before December  
422.6 31, 2018. The conversion renewal cycle is the renewal cycle following the first registration  
422.7 renewal after January 1, 2019. The conversion registration period is the registration period  
422.8 for the conversion renewal cycle. The conversion registration period is between six and 17  
422.9 months and ends on the last day of the registrant's month of birth in either 2019 or 2020, as  
422.10 described in subdivision 2.

422.11 **Subd. 2. Conversion of registration renewal cycle for current registrants.** For a  
422.12 registrant whose registration is current as of December 31, 2018, the registrant's conversion  
422.13 registration period begins on January 1, 2019, and ends on the last day of the registrant's  
422.14 month of birth in 2019, except that for registrants whose month of birth is January, February,  
422.15 March, April, May, or June, the registrant's renewal cycle ends on the last day of the  
422.16 registrant's month of birth in 2020.

422.17 **Subd. 3. Conversion of registration renewal cycle for noncurrent registrants.** This  
422.18 subdivision applies to an individual who was registered before December 31, 2018, but  
422.19 whose registration is not current as of December 31, 2018. When the individual first renews  
422.20 the registration after January 1, 2019, the conversion renewal cycle begins on the date the  
422.21 individual applies for renewal and ends on the last day of the registrant's month of birth in  
422.22 the same year, except that if the last day of the individual's month of birth is less than six  
422.23 months after the date the individual applies for renewal, then the renewal period ends on  
422.24 the last day of the individual's month of birth in the following year.

422.25 **Subd. 4. Subsequent renewal cycles.** After the registrant's conversion renewal cycle  
422.26 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
422.27 of the month of the registrant's birth.

422.28 **Subd. 5. Conversion period and fees.** (a) A registrant who holds a registration issued  
422.29 before January 1, 2019, and who renews that registration pursuant to subdivision 2 or 3,  
422.30 shall pay a renewal fee as required in this subdivision.

422.31 (b) A registrant shall be charged the annual registration fee listed in section 147E.40 for  
422.32 the conversion registration period.

422.33 (c) For a registrant whose conversion registration period is six to 11 months, the first  
422.34 annual registration fee charged after the conversion registration period shall be adjusted to

423.1 credit the excess fee payment made during the conversion registration period. The credit is  
423.2 calculated by: (1) subtracting the number of months of the registrant's conversion registration  
423.3 period from 12; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded  
423.4 up to the next dollar.

423.5 (d) For a registrant whose conversion registration period is 12 months, the first annual  
423.6 registration fee charged after the conversion registration period shall not be adjusted.

423.7 (e) For a registrant whose conversion registration period is 13 to 17 months, the first  
423.8 annual registration fee charged after the conversion registration period shall be adjusted to  
423.9 add the annual registration fee payment for the months that were not included in the annual  
423.10 registration fee paid for the conversion registration period. The added payment is calculated  
423.11 by: (1) subtracting 12 from the number of months of the registrant's conversion registration  
423.12 period; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to  
423.13 the next dollar.

423.14 (f) For the second and all subsequent registration renewals made after the conversion  
423.15 registration period, the registrant's annual registration fee is as listed in section 147E.40.

423.16 Subd. 6. **Expiration.** This section expires July 1, 2021.

423.17 Sec. 24. Minnesota Statutes 2016, section 147F.07, subdivision 5, is amended to read:

423.18 Subd. 5. **License renewal.** (a) To be eligible for license renewal, a licensed genetic  
423.19 counselor must submit to the board:

423.20 (1) a renewal application on a form provided by the board;

423.21 (2) the renewal fee required under section 147F.17;

423.22 (3) evidence of compliance with the continuing education requirements in section  
423.23 147F.11; and

423.24 (4) any additional information requested by the board.

423.25 (b) A licensee must maintain a correct mailing address with the board for receiving board  
423.26 communications, notices, and license renewal documents. Placing the license renewal  
423.27 application in first class United States mail, addressed to the licensee at the licensee's last  
423.28 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
423.29 documents does not relieve a licensee of the obligation to comply with this section.

423.30 (c) The name of a licensee who does not return a complete license renewal application,  
423.31 annual license fee, or late application fee, as applicable, within the time period required by  
423.32 this section shall be removed from the list of individuals authorized to practice during the

424.1 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
424.2 placed on the list of individuals authorized to practice.

424.3 Sec. 25. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision  
424.4 to read:

424.5 Subd. 6. **Licensure following lapse of licensure status for two years or less.** For any  
424.6 individual whose licensure status has lapsed for two years or less, to regain licensure status,  
424.7 the individual must:

424.8 (1) apply for license renewal according to subdivision 5;

424.9 (2) document compliance with the continuing education requirements of section 147F.11  
424.10 since the licensed genetic counselor's initial licensure or last renewal; and

424.11 (3) submit the fees required under section 147F.17 for the period not licensed, including  
424.12 the fee for late renewal.

424.13 Sec. 26. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision  
424.14 to read:

424.15 Subd. 6a. **Licensure following lapse of licensed status; transition.** (a) A licensee whose  
424.16 license has lapsed under subdivision 6 before January 1, 2019, and who seeks to regain  
424.17 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes  
424.18 of establishing a license renewal schedule, and shall not be subject to the license cycle  
424.19 conversion provisions in section 147F.19.

424.20 (b) This subdivision expires July 1, 2021.

424.21 Sec. 27. Minnesota Statutes 2016, section 147F.17, subdivision 1, is amended to read:

424.22 Subdivision 1. **Fees.** Fees are as follows:

424.23 (1) license application fee, \$200;

424.24 (2) initial licensure and annual renewal, \$150; ~~and~~

424.25 (3) late fee, \$75<sup>2</sup>;

424.26 (4) temporary license fee, \$60;

424.27 (5) duplicate license fee, \$20;

424.28 (6) certification letter fee, \$25;

424.29 (7) education or training program approval fee, \$100;

425.1 (8) report creation and generation fee, \$60 per hour; and

425.2 (9) criminal background check fee, \$32.

425.3 **Sec. 28. [147F.19] LICENSE RENEWAL CYCLE CONVERSION.**

425.4 Subdivision 1. **Generally.** The license renewal cycle for genetic counselor licensees is  
425.5 converted to an annual cycle where renewal is due on the last day of the licensee's month  
425.6 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
425.7 license renewal procedures for licensees who were licensed before December 31, 2018. The  
425.8 conversion renewal cycle is the renewal cycle following the first license renewal after  
425.9 January 1, 2019. The conversion license period is the license period for the conversion  
425.10 renewal cycle. The conversion license period is between six and 17 months and ends on the  
425.11 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
425.12 2.

425.13 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
425.14 whose license is current as of December 31, 2018, the licensee's conversion license period  
425.15 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
425.16 except that for licensees whose month of birth is January, February, March, April, May, or  
425.17 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
425.18 2020.

425.19 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
425.20 applies to an individual who was licensed before December 31, 2018, but whose license is  
425.21 not current as of December 31, 2018. When the individual first renews the license after  
425.22 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
425.23 renewal and ends on the last day of the licensee's month of birth in the same year, except  
425.24 that if the last day of the individual's month of birth is less than six months after the date  
425.25 the individual applies for renewal, then the renewal period ends on the last day of the  
425.26 individual's month of birth in the following year.

425.27 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
425.28 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
425.29 of the month of the licensee's birth.

425.30 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
425.31 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
425.32 renewal fee as required in this subdivision.

426.1 (b) A licensee shall be charged the annual license fee listed in section 147F.17 for the  
426.2 conversion license period.

426.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
426.4 license fee charged after the conversion license period shall be adjusted to credit the excess  
426.5 fee payment made during the conversion license period. The credit is calculated by: (1)  
426.6 subtracting the number of months of the licensee's conversion license period from 12; and  
426.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
426.8 dollar.

426.9 (d) For a licensee whose conversion license period is 12 months, the first annual license  
426.10 fee charged after the conversion license period shall not be adjusted.

426.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
426.12 license fee charged after the conversion license period shall be adjusted to add the annual  
426.13 license fee payment for the months that were not included in the annual license fee paid for  
426.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
426.15 the number of months of the licensee's conversion license period; and (2) multiplying the  
426.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

426.17 (f) For the second and all subsequent license renewals made after the conversion license  
426.18 period, the licensee's annual license fee is as listed in section 147F.17.

426.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

426.20 Sec. 29. Minnesota Statutes 2016, section 148.7815, subdivision 1, is amended to read:

426.21 Subdivision 1. **Fees.** The board shall establish fees as follows:

426.22 (1) application fee, \$50;

426.23 (2) annual registration fee, \$100;

426.24 (3) temporary registration, \$100; ~~and~~

426.25 (4) temporary permit, \$50;

426.26 (5) late fee, \$15;

426.27 (6) duplicate license fee, \$20;

426.28 (7) certification letter fee, \$25;

426.29 (8) verification fee, \$25;

426.30 (9) education or training program approval fee, \$100; and

427.1 (10) report creation and generation fee, \$60 per hour.

427.2 Sec. 30. Minnesota Statutes 2016, section 214.075, subdivision 1, is amended to read:

427.3 Subdivision 1. **Applications.** ~~(a) By January 1, 2018,~~ Each health-related licensing  
427.4 board, as defined in section 214.01, subdivision 2, shall require ~~applicants for initial licensure,~~  
427.5 ~~licensure by endorsement, or reinstatement or other relicensure after a lapse in licensure,~~  
427.6 ~~as defined by the individual health-related licensing boards,~~ the following individuals to  
427.7 submit to a criminal history records check of state data completed by the Bureau of Criminal  
427.8 Apprehension (BCA) and a national criminal history records check, including a search of  
427.9 the records of the Federal Bureau of Investigation (FBI);:

427.10 (1) applicants for initial licensure or licensure by endorsement. An applicant is exempt  
427.11 from this paragraph if the applicant submitted to a state and national criminal history records  
427.12 check as described in this paragraph for a license issued by the same board;

427.13 (2) applicants seeking reinstatement or relicensure, as defined by the individual  
427.14 health-related licensing board, if more than one year has elapsed since the applicant's license  
427.15 or registration expiration date; or

427.16 (3) licensees applying for eligibility to participate in an interstate licensure compact.

427.17 ~~(b) An applicant must complete a criminal background check if more than one year has~~  
427.18 ~~elapsed since the applicant last submitted a background check to the board. An applicant's~~  
427.19 criminal background check results are valid for one year from the date the background check  
427.20 results were received by the board. If more than one year has elapsed since the results were  
427.21 received by the board, then an applicant who has not completed the licensure, reinstatement,  
427.22 or relicensure process must complete a new background check.

427.23 Sec. 31. Minnesota Statutes 2016, section 214.075, subdivision 4, is amended to read:

427.24 Subd. 4. **Refusal to consent.** (a) The health-related licensing boards shall not issue a  
427.25 license to any applicant who refuses to consent to a criminal background check or fails to  
427.26 submit fingerprints ~~within 90 days~~ after submission of an application for licensure. Any  
427.27 fees paid by the applicant to the board shall be forfeited if the applicant refuses to consent  
427.28 to the criminal background check or fails to submit the required fingerprints.

427.29 (b) The failure of a licensee to submit to a criminal background check as provided in  
427.30 subdivision 3 is grounds for disciplinary action by the respective health-related licensing  
427.31 board.

428.1 Sec. 32. Minnesota Statutes 2016, section 214.075, subdivision 5, is amended to read:

428.2 Subd. 5. **Submission of fingerprints to the Bureau of Criminal Apprehension.** The  
428.3 health-related licensing board or designee shall submit applicant or licensee fingerprints to  
428.4 the BCA. The BCA shall perform a check for state criminal justice information and shall  
428.5 forward the applicant's or licensee's fingerprints to the FBI to perform a check for national  
428.6 criminal justice information regarding the applicant or licensee. The BCA shall report to  
428.7 the board the results of the state and national criminal ~~justice information~~ history records  
428.8 checks.

428.9 Sec. 33. Minnesota Statutes 2016, section 214.075, subdivision 6, is amended to read:

428.10 Subd. 6. **Alternatives to fingerprint-based criminal background checks.** The  
428.11 health-related licensing board may require an alternative method of criminal history checks  
428.12 for an applicant or licensee who has submitted at least ~~three~~ two sets of fingerprints in  
428.13 accordance with this section that have been unreadable by the BCA or the FBI.

428.14 Sec. 34. Minnesota Statutes 2016, section 214.077, is amended to read:

428.15 **214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF SERIOUS**  
428.16 **HARM.**

428.17 (a) Notwithstanding any provision of a health-related professional practice act, when a  
428.18 health-related licensing board receives a complaint regarding a regulated person and has  
428.19 probable cause to believe that the regulated person has violated a statute or rule that the  
428.20 health-related licensing board is empowered to enforce, and continued practice by the  
428.21 regulated person presents an imminent risk of serious harm, the health-related licensing  
428.22 board shall issue an order temporarily suspending the regulated person's authority to practice.  
428.23 The temporary suspension order shall specify the reason for the suspension, including the  
428.24 statute or rule alleged to have been violated. The temporary suspension order shall take  
428.25 effect upon personal service on the regulated person or the regulated person's attorney, or  
428.26 upon the third calendar day after the order is served by first class mail to the most recent  
428.27 address provided to the health-related licensing board for the regulated person or the regulated  
428.28 person's attorney.

428.29 (b) The temporary suspension shall remain in effect until the health-related licensing  
428.30 board or the commissioner completes an investigation, holds a contested case hearing  
428.31 pursuant to the Administrative Procedure Act, and issues a final order in the matter as  
428.32 provided for in this section.

429.1 (c) At the time it issues the temporary suspension order, the health-related licensing  
429.2 board shall schedule a contested case hearing, on the merits of whether discipline is  
429.3 warranted, to be held pursuant to the Administrative Procedure Act. The regulated person  
429.4 shall be provided with at least ten days' notice of any contested case hearing held pursuant  
429.5 to this section. The contested case hearing shall be scheduled to begin no later than 30 days  
429.6 after the effective service of the temporary suspension order.

429.7 (d) The administrative law judge presiding over the contested case hearing shall issue  
429.8 a report and recommendation to the health-related licensing board no later than 30 days  
429.9 after the final day of the contested case hearing. If the administrative law judge's report and  
429.10 recommendations are for no action, the health-related licensing board shall issue a final  
429.11 order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative  
429.12 law judge's report and recommendations. If the administrative law judge's report and  
429.13 recommendations are for action, the health-related licensing board shall issue a final order  
429.14 pursuant to sections 14.61 and 14.62 within 60 days of receipt of the administrative law  
429.15 judge's report and recommendations. Except as provided in paragraph (e), if the health-related  
429.16 licensing board has not issued a final order pursuant to sections 14.61 and 14.62 within 30  
429.17 days of receipt of the administrative law judge's report and recommendations for no action  
429.18 or within 60 days of receipt of the administrative law judge's report and recommendations  
429.19 for action, the temporary suspension shall be lifted.

429.20 (e) If the regulated person requests a delay in the contested case proceedings provided  
429.21 for in paragraphs (c) and (d) for any reason, the temporary suspension shall remain in effect  
429.22 until the health-related licensing board issues a final order pursuant to sections 14.61 and  
429.23 14.62.

429.24 (f) This section shall not apply to the Office of Unlicensed Complementary and  
429.25 Alternative Health Practice established under section 146A.02. The commissioner of health  
429.26 shall conduct temporary suspensions for complementary and alternative health care  
429.27 practitioners in accordance with section 146A.09.

429.28 Sec. 35. Minnesota Statutes 2016, section 214.10, subdivision 8, is amended to read:

429.29 Subd. 8. **Special requirements for health-related licensing boards.** In addition to the  
429.30 provisions of this section that apply to all examining and licensing boards, the requirements  
429.31 in this subdivision apply to all health-related licensing boards, except the Board of Veterinary  
429.32 Medicine.

429.33 (a) If the executive director or consulted board member determines that a communication  
429.34 received alleges a violation of statute or rule that involves sexual contact with a patient or

430.1 client, the communication shall be forwarded to the designee of the attorney general for an  
430.2 investigation of the facts alleged in the communication. If, after an investigation it is the  
430.3 opinion of the executive director or consulted board member that there is sufficient evidence  
430.4 to justify disciplinary action, the board shall conduct a disciplinary conference or hearing.  
430.5 If, after a hearing or disciplinary conference the board determines that misconduct involving  
430.6 sexual contact with a patient or client occurred, the board shall take disciplinary action.  
430.7 Notwithstanding subdivision 2, a board may not attempt to correct improper activities or  
430.8 redress grievances through education, conciliation, and persuasion, unless in the opinion of  
430.9 the executive director or consulted board member there is insufficient evidence to justify  
430.10 disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing  
430.11 if the stipulation provides for disciplinary action.

430.12 (b) A board member who has a direct current or former financial connection or  
430.13 professional relationship to a person who is the subject of board disciplinary activities must  
430.14 not participate in board activities relating to that case.

430.15 (c) Each health-related licensing board shall establish procedures for exchanging  
430.16 information with other Minnesota state boards, agencies, and departments responsible for  
430.17 regulating health-related occupations, facilities, and programs, and for coordinating  
430.18 investigations involving matters within the jurisdiction of more than one regulatory body.  
430.19 The procedures must provide for the forwarding to other regulatory bodies of all information  
430.20 and evidence, including the results of investigations, that are relevant to matters within that  
430.21 licensing body's regulatory jurisdiction. Each health-related licensing board shall have access  
430.22 to any data of the Department of Human Services relating to a person subject to the  
430.23 jurisdiction of the licensing board. The data shall have the same classification under chapter  
430.24 13, the Minnesota Government Data Practices Act, in the hands of the agency receiving the  
430.25 data as it had in the hands of the Department of Human Services.

430.26 (d) Each health-related licensing board shall establish procedures for exchanging  
430.27 information with other states regarding disciplinary actions against licensees. The procedures  
430.28 must provide for the collection of information from other states about disciplinary actions  
430.29 taken against persons who are licensed to practice in Minnesota or who have applied to be  
430.30 licensed in this state and the dissemination of information to other states regarding  
430.31 disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting  
430.32 the dissemination of data, the board may, in its discretion, disseminate data to other states  
430.33 regardless of its classification under chapter 13. Criminal history record information shall  
430.34 not be exchanged. Before transferring any data that is not public, the board shall obtain  
430.35 reasonable assurances from the receiving state that the data will not be made public.

431.1 Sec. 36. Minnesota Statutes 2017 Supplement, section 364.09, is amended to read:

431.2 **364.09 EXCEPTIONS.**

431.3 (a) This chapter does not apply to the licensing process for peace officers; to law  
431.4 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire  
431.5 protection agencies; to eligibility for a private detective or protective agent license; to the  
431.6 licensing and background study process under chapters 245A and 245C; to the licensing  
431.7 and background investigation process under chapter 240; to eligibility for school bus driver  
431.8 endorsements; to eligibility for special transportation service endorsements; to eligibility  
431.9 for a commercial driver training instructor license, which is governed by section 171.35  
431.10 and rules adopted under that section; to emergency medical services personnel, or to the  
431.11 licensing by political subdivisions of taxicab drivers, if the applicant for the license has  
431.12 been discharged from sentence for a conviction within the ten years immediately preceding  
431.13 application of a violation of any of the following:

431.14 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23,  
431.15 subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

431.16 (2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years  
431.17 or more; or

431.18 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving  
431.19 the scene of an accident, or reckless or careless driving.

431.20 This chapter also shall not apply to eligibility for juvenile corrections employment, where  
431.21 the offense involved child physical or sexual abuse or criminal sexual conduct.

431.22 (b) This chapter does not apply to a school district or to eligibility for a license issued  
431.23 or renewed by the Professional Educator Licensing and Standards Board or the commissioner  
431.24 of education.

431.25 (c) Nothing in this section precludes the Minnesota Police and Peace Officers Training  
431.26 Board or the state fire marshal from recommending policies set forth in this chapter to the  
431.27 attorney general for adoption in the attorney general's discretion to apply to law enforcement  
431.28 or fire protection agencies.

431.29 ~~(d) This chapter does not apply to a license to practice medicine that has been denied or~~  
431.30 ~~revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.~~

431.31 ~~(e) This chapter does not apply to any person who has been denied a license to practice~~  
431.32 ~~chiropractic or whose license to practice chiropractic has been revoked by the board in~~  
431.33 ~~accordance with section 148.10, subdivision 7.~~

432.1 ~~(f) This chapter does not apply to any license, registration, or permit that has been denied~~  
 432.2 ~~or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.~~

432.3 ~~(g)~~ (d) This chapter does not apply to any license, registration, permit, or certificate that  
 432.4 has been denied or revoked by the commissioner of health according to section 148.5195,  
 432.5 subdivision 5; or 153A.15, subdivision 2.

432.6 ~~(h)~~ (e) This chapter does not supersede a requirement under law to conduct a criminal  
 432.7 history background investigation or consider criminal history records in hiring for particular  
 432.8 types of employment.

432.9 (f) This chapter does not apply to the licensing or registration process for, or to any  
 432.10 license, registration, or permit that has been denied or revoked by, a health-related licensing  
 432.11 board listed in section 214.01, subdivision 2.

432.12 **Sec. 37. GUIDELINES AUTHORIZING PATIENT-ASSISTED MEDICATION**  
 432.13 **ADMINISTRATION.**

432.14 (a) Within the limits of the board's available appropriation, the Medical Director Standing  
 432.15 Advisory Committee of the Emergency Medical Services Regulatory Board shall propose  
 432.16 guidelines authorizing EMTs, AEMTs, and paramedics certified under Minnesota Statutes,  
 432.17 section 144E.28, to assist a patient in emergency situations with administering prescription  
 432.18 medications that are:

432.19 (1) carried by a patient;

432.20 (2) intended to treat adrenal insufficiency or other rare conditions that require emergency  
 432.21 treatment with a previously prescribed medication;

432.22 (3) intended to treat a specific life-threatening condition; and

432.23 (4) administered via routes of delivery that are within the scope of training of the EMT,  
 432.24 AEMT, or paramedic.

432.25 (b) The proposed guidelines shall include language that requires the ambulance service  
 432.26 to be available to patients or their caregivers who have medical conditions identified in  
 432.27 paragraph (a) to define the patient's needs and, when appropriate, develop specific care  
 432.28 plans and provide education or other resources at the discretion of the ambulance service  
 432.29 medical director.

432.30 (c) The Emergency Medical Services Regulatory Board shall submit the proposed  
 432.31 guidelines and draft legislation as necessary to the chairs and ranking minority members of  
 432.32 the legislative committees with jurisdiction over health care by January 1, 2019.

433.1 Sec. 38. **REPEALER.**

433.2 (a) Minnesota Statutes 2016, section 214.075, subdivision 8, is repealed.

433.3 (b) Minnesota Rules, part 5600.0605, subparts 5 and 8, are repealed.

433.4 **ARTICLE 26**

433.5 **PRESCRIPTION MONITORING PROGRAM**

433.6 Section 1. Minnesota Statutes 2016, section 151.065, is amended by adding a subdivision  
433.7 to read:

433.8 Subd. 7. **Deposit.** Fees collected by the board under this section shall be deposited in  
433.9 the state government special revenue fund.

433.10 Sec. 2. Minnesota Statutes 2016, section 152.126, subdivision 6, is amended to read:

433.11 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision,  
433.12 the data submitted to the board under subdivision 4 is private data on individuals as defined  
433.13 in section 13.02, subdivision 12, and not subject to public disclosure.

433.14 (b) Except as specified in subdivision 5, the following persons shall be considered  
433.15 permissible users and may access the data submitted under subdivision 4 in the same or  
433.16 similar manner, and for the same or similar purposes, as those persons who are authorized  
433.17 to access similar private data on individuals under federal and state law:

433.18 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has  
433.19 delegated the task of accessing the data, to the extent the information relates specifically to  
433.20 a current patient, to whom the prescriber is:

433.21 (i) prescribing or considering prescribing any controlled substance;

433.22 (ii) providing emergency medical treatment for which access to the data may be necessary;

433.23 (iii) providing care, and the prescriber has reason to believe, based on clinically valid  
433.24 indications, that the patient is potentially abusing a controlled substance; or

433.25 (iv) providing other medical treatment for which access to the data may be necessary  
433.26 for a clinically valid purpose and the patient has consented to access to the submitted data,  
433.27 and with the provision that the prescriber remains responsible for the use or misuse of data  
433.28 accessed by a delegated agent or employee;

433.29 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has  
433.30 delegated the task of accessing the data, to the extent the information relates specifically to

434.1 a current patient to whom that dispenser is dispensing or considering dispensing any  
434.2 controlled substance and with the provision that the dispenser remains responsible for the  
434.3 use or misuse of data accessed by a delegated agent or employee;

434.4 (3) a licensed pharmacist who is providing pharmaceutical care for which access to the  
434.5 data may be necessary to the extent that the information relates specifically to a current  
434.6 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has  
434.7 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber  
434.8 who is requesting data in accordance with clause (1);

434.9 (4) an individual who is the recipient of a controlled substance prescription for which  
434.10 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian  
434.11 of a minor, or health care agent of the individual acting under a health care directive under  
434.12 chapter 145C. For purposes of this clause, access by individuals includes persons in the  
434.13 definition of an individual under section 13.02;

434.14 (5) personnel or designees of a health-related licensing board listed in section 214.01,  
434.15 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct  
434.16 a bona fide investigation of a complaint received by that board that alleges that a specific  
434.17 licensee is impaired by use of a drug for which data is collected under subdivision 4, has  
434.18 engaged in activity that would constitute a crime as defined in section 152.025, or has  
434.19 engaged in the behavior specified in subdivision 5, paragraph (a);

434.20 (6) personnel of the board engaged in the collection, review, and analysis of controlled  
434.21 substance prescription information as part of the assigned duties and responsibilities under  
434.22 this section;

434.23 (7) authorized personnel of a vendor under contract with the state of Minnesota who are  
434.24 engaged in the design, implementation, operation, and maintenance of the prescription  
434.25 monitoring program as part of the assigned duties and responsibilities of their employment,  
434.26 provided that access to data is limited to the minimum amount necessary to carry out such  
434.27 duties and responsibilities, and subject to the requirement of de-identification and time limit  
434.28 on retention of data specified in subdivision 5, paragraphs (d) and (e);

434.29 (8) federal, state, and local law enforcement authorities acting pursuant to a valid search  
434.30 warrant;

434.31 (9) personnel of the Minnesota health care programs assigned to use the data collected  
434.32 under this section to identify and manage recipients whose usage of controlled substances  
434.33 may warrant restriction to a single primary care provider, a single outpatient pharmacy, and  
434.34 a single hospital;

435.1 (10) personnel of the Department of Human Services assigned to access the data pursuant  
435.2 to paragraph (i);

435.3 (11) personnel of the health professionals services program established under section  
435.4 214.31, to the extent that the information relates specifically to an individual who is currently  
435.5 enrolled in and being monitored by the program, and the individual consents to access to  
435.6 that information. The health professionals services program personnel shall not provide this  
435.7 data to a health-related licensing board or the Emergency Medical Services Regulatory  
435.8 Board, except as permitted under section 214.33, subdivision 3; and

435.9 ~~For purposes of clause (4), access by an individual includes persons in the definition of~~  
435.10 ~~an individual under section 13.02; and~~

435.11 (12) personnel or designees of a health-related licensing board listed in section 214.01,  
435.12 subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that  
435.13 board that alleges that a specific licensee is inappropriately prescribing controlled substances  
435.14 as defined in this section.

435.15 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed  
435.16 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe  
435.17 controlled substances ~~for humans~~ and who holds a current registration issued by the federal  
435.18 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing  
435.19 within the state, shall register and maintain a user account with the prescription monitoring  
435.20 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration  
435.21 application process, other than their name, license number, and license type, is classified  
435.22 as private pursuant to section 13.02, subdivision 12.

435.23 (d) Notwithstanding paragraph (b), beginning January 1, 2020, a prescriber or an agent  
435.24 or employee of the prescriber to whom the prescriber has delegated the task of accessing  
435.25 the data, must access the data submitted under subdivision 4 to the extent the information  
435.26 relates specifically to the patient:

435.27 (1) before the prescriber issues an initial prescription order for a Schedule II through  
435.28 Schedule IV opiate controlled substance to the patient; and

435.29 (2) at least once every three months for patients receiving an opiate for treatment of  
435.30 chronic pain or participating in medically assisted treatment for an opioid addiction.

435.31 (e) Paragraph (d) does not apply if:

435.32 (1) the patient is receiving hospice care;

435.33 (2) the patient is being treated for pain due to cancer or the treatment of cancer;

436.1 (3) the prescription order is for a number of doses that is intended to last the patient five  
436.2 days or less and is not subject to a refill;

436.3 (4) the prescriber and patient have an ongoing doctor/patient relationship of a duration  
436.4 longer than one year;

436.5 (5) the prescription order is issued within 14 days following surgery or three days  
436.6 following oral surgery;

436.7 (6) the controlled substance is prescribed or administered to a patient who is admitted  
436.8 to an inpatient hospital;

436.9 (7) the controlled substance is lawfully administered by injection, ingestion, or any other  
436.10 means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a  
436.11 prescriber and in the presence of the prescriber or pharmacist;

436.12 (8) due to a medical emergency, it is not possible for the prescriber to review the data  
436.13 before the prescriber issues the prescription order for the patient; or

436.14 (9) the prescriber is unable to access the data due to operational or other technological  
436.15 failure of the program so long as the prescriber reports the failure to the board.

436.16 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (6), (7), (9),  
436.17 and (10), may directly access the data electronically. No other permissible users may directly  
436.18 access the data electronically. If the data is directly accessed electronically, the permissible  
436.19 user shall implement and maintain a comprehensive information security program that  
436.20 contains administrative, technical, and physical safeguards that are appropriate to the user's  
436.21 size and complexity, and the sensitivity of the personal information obtained. The permissible  
436.22 user shall identify reasonably foreseeable internal and external risks to the security,  
436.23 confidentiality, and integrity of personal information that could result in the unauthorized  
436.24 disclosure, misuse, or other compromise of the information and assess the sufficiency of  
436.25 any safeguards in place to control the risks.

436.26 ~~(e)~~ (g) The board shall not release data submitted under subdivision 4 unless it is provided  
436.27 with evidence, satisfactory to the board, that the person requesting the information is entitled  
436.28 to receive the data.

436.29 ~~(f)~~ (h) The board shall maintain a log of all persons who access the data for a period of  
436.30 at least three years and shall ensure that any permissible user complies with paragraph (c)  
436.31 prior to attaining direct access to the data.

437.1 ~~(g)~~ (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into  
437.2 pursuant to subdivision 2. A vendor shall not use data collected under this section for any  
437.3 purpose not specified in this section.

437.4 ~~(h)~~ (j) The board may participate in an interstate prescription monitoring program data  
437.5 exchange system provided that permissible users in other states have access to the data only  
437.6 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract  
437.7 or memorandum of understanding that the board enters into under this paragraph.

437.8 ~~(i)~~ (k) With available appropriations, the commissioner of human services shall establish  
437.9 and implement a system through which the Department of Human Services shall routinely  
437.10 access the data for the purpose of determining whether any client enrolled in an opioid  
437.11 treatment program licensed according to chapter 245A has been prescribed or dispensed a  
437.12 controlled substance in addition to that administered or dispensed by the opioid treatment  
437.13 program. When the commissioner determines there have been multiple prescribers or multiple  
437.14 prescriptions of controlled substances, the commissioner shall:

437.15 (1) inform the medical director of the opioid treatment program only that the  
437.16 commissioner determined the existence of multiple prescribers or multiple prescriptions of  
437.17 controlled substances; and

437.18 (2) direct the medical director of the opioid treatment program to access the data directly,  
437.19 review the effect of the multiple prescribers or multiple prescriptions, and document the  
437.20 review.

437.21 If determined necessary, the commissioner of human services shall seek a federal waiver  
437.22 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section  
437.23 2.34, paragraph (c), prior to implementing this paragraph.

437.24 ~~(j)~~ (l) The board shall review the data submitted under subdivision 4 on at least a quarterly  
437.25 basis and shall establish criteria, in consultation with the advisory task force, for referring  
437.26 information about a patient to prescribers and dispensers who prescribed or dispensed the  
437.27 prescriptions in question if the criteria are met.

437.28 Sec. 3. Minnesota Statutes 2016, section 152.126, subdivision 10, is amended to read:

437.29 Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit  
437.30 charitable foundations, the federal government, and other sources to fund the enhancement  
437.31 and ongoing operations of the prescription monitoring program established under this section.  
437.32 Any funds received shall be appropriated to the board for this purpose. The board may not

438.1 expend funds to enhance the program in a way that conflicts with this section without seeking  
438.2 approval from the legislature.

438.3 (b) Notwithstanding any other section, the administrative services unit for the  
438.4 health-related licensing boards shall apportion between the Board of Medical Practice, the  
438.5 Board of Nursing, the Board of Dentistry, the Board of Podiatric Medicine, the Board of  
438.6 Optometry, the Board of Veterinary Medicine, and the Board of Pharmacy an amount to be  
438.7 paid through fees by each respective board. The amount apportioned to each board shall  
438.8 equal each board's share of the annual appropriation to the Board of Pharmacy from the  
438.9 state government special revenue fund for operating the prescription monitoring program  
438.10 under this section. Each board's apportioned share shall be based on the number of prescribers  
438.11 or dispensers that each board identified in this paragraph licenses as a percentage of the  
438.12 total number of prescribers and dispensers licensed collectively by these boards. Each  
438.13 respective board may adjust the fees that the boards are required to collect to compensate  
438.14 for the amount apportioned to each board by the administrative services unit.

438.15 (c) The board shall have the authority to modify its contract with its vendor as provided  
438.16 in subdivision 2, to authorize that vendor to provide a service to prescribers and pharmacies  
438.17 that allows them to access prescription monitoring program data from within the electronic  
438.18 health record system or pharmacy software used by those prescribers and pharmacists.  
438.19 Beginning July 1, 2018, the board has the authority to collect an annual fee from each  
438.20 prescriber or pharmacist who accesses prescription monitoring program data through the  
438.21 service offered by the vendor. The annual fee collected must not exceed \$50 per user. The  
438.22 fees collected by the board under this paragraph shall be deposited in the state government  
438.23 special revenue fund and are appropriated to the board for the purposes of this paragraph.

438.24

## ARTICLE 27

438.25

### PROTECTION OF VULNERABLE ADULTS

438.26 Section 1. Minnesota Statutes 2016, section 144A.53, subdivision 2, is amended to read:

438.27 Subd. 2. **Complaints.** (a) The director may receive a complaint from any source  
438.28 concerning an action of an administrative agency, a health care provider, a home care  
438.29 provider, a residential care home, or a health facility. The director may require a complainant  
438.30 to pursue other remedies or channels of complaint open to the complainant before accepting  
438.31 or investigating the complaint. Investigators are required to interview at least one family  
438.32 member of the vulnerable adult identified in the complaint. If the vulnerable adult is directing  
438.33 his or her own care and does not want the investigator to contact the family, this information  
438.34 must be documented in the investigative file.

439.1 (b) The director shall keep written records of all complaints and any action upon them.  
439.2 After completing an investigation of a complaint, the director shall inform the complainant,  
439.3 the administrative agency having jurisdiction over the subject matter, the health care provider,  
439.4 the home care provider, the residential care home, and the health facility of the action taken.  
439.5 Complainants must be provided a copy of the public report upon completion of the  
439.6 investigation.

439.7 (c) Notwithstanding section 626.557, subdivision 5 or 9c, upon request of a vulnerable  
439.8 adult or an interested person, the director shall:

439.9 (1) disclose whether a health care provider or other person has made a report or submitted  
439.10 a complaint that involves maltreatment of the vulnerable adult; and

439.11 (2) provide a redacted version of the initial report or complaint that does not disclose  
439.12 data on individuals, as defined in section 13.02, subdivision 5.

439.13 (d) For purposes of paragraph (c), "interested person" means one of the persons listed  
439.14 below in the following order of priority:

439.15 (1) a court-appointed guardian;

439.16 (2) a person designated in writing by the vulnerable adult, including a nominated guardian,  
439.17 to act on behalf of the vulnerable adult;

439.18 (3) a proxy or health care agent appointed under chapter 145B or 145C or similar law  
439.19 of another state, provided that the authority of the proxy or health care agent is currently  
439.20 effective under section 145C.06 or similar law;

439.21 (4) a person designated in writing by the vulnerable adult as an emergency contact for  
439.22 a facility; or

439.23 (5) a spouse, parent, adult child, or adult sibling of the vulnerable adult.

439.24 Interested person does not include a person whose authority has been restricted by the  
439.25 vulnerable adult or by a court or who is the alleged or substantiated perpetrator of  
439.26 maltreatment of the vulnerable adult.

439.27 **Sec. 2. DIRECTION TO COMMISSIONER.**

439.28 **Subdivision 1. Policies and procedures for the Office of Health Facility Complaints.**

439.29 The commissioner of health shall develop comprehensive, written policies and procedures  
439.30 for the Office of Health Facility Complaints for conducting timely reviews and investigation  
439.31 of allegations that are available for all investigators in a centralized location, including  
439.32 policies, procedures, guidelines, and criteria for:

440.1 (1) data collection that will allow for rigorous trend analysis of maltreatment and licensing  
440.2 violations;

440.3 (2) data entry in the case management system, including an up-to-date description of  
440.4 each data entry point to be used consistently by all staff;

440.5 (3) intake of allegation reports, including the gathering of all data from the reporter and  
440.6 verification of jurisdiction;

440.7 (4) selection of allegation reports for further investigation within the time frames required  
440.8 by federal and state law;

440.9 (5) the investigative process, including guidelines for interviews and documentation;

440.10 (6) cross-referencing of data, including when and under what circumstances to combine  
440.11 data collection or maltreatment investigations regarding the same vulnerable adult,  
440.12 allegations, facility, or alleged perpetrator;

440.13 (7) final determinations, including having supporting documentation for the  
440.14 determinations;

440.15 (8) enforcement actions, including the imposition of immediate fines and any distinctions  
440.16 in process for licensing violations versus maltreatment determinations;

440.17 (9) communication with interested parties and the public regarding the status of  
440.18 investigations, final determinations, enforcement actions, and appeal rights, including when  
440.19 communication must be made if the timelines established in law are not able to be met and  
440.20 sufficient information in written communication for understanding the process; and

440.21 (10) quality control measures, including audits and random samplings, to discover gaps  
440.22 in understanding and to ensure accuracy.

440.23 **Subd. 2. Training of staff at the Office of Health Facility Complaints.** The  
440.24 commissioner of health shall revise the training program at the Office of Health Facility  
440.25 Complaints to ensure that all staff are trained adequately and consistently to perform their  
440.26 duties. The revised training program must provide for timely and consistent training whenever  
440.27 policies, procedures, guidelines, or criteria are changed due to legislative changes, decisions  
440.28 by management, or interpretations of state or federal law. The revised training program  
440.29 shall include a mentor-based training program that assigns a mentor to all new investigators  
440.30 and ensures new investigators work with an experienced investigator during every aspect  
440.31 of the investigation process.

441.1 Subd. 3. **Quality controls at the Office of Health Facility Complaints.** The  
441.2 commissioner of health shall implement quality control measures to ensure that intake,  
441.3 triage, investigations, final determinations, enforcement actions, and communication are  
441.4 conducted and documented in a consistent, thorough, and accurate manner. The quality  
441.5 control measures must include regular internal audits of staff work, including when a decision  
441.6 is made to not investigate a report, reporting to staff of patterns and trends discovered  
441.7 through the audits, training of staff to address patterns and trends discovered through the  
441.8 audits, and electronic safeguards in the case management system to prevent backdating of  
441.9 data, incomplete or missing data fields, missed deadlines, and missed communications,  
441.10 including communications concerning the status of investigations, delays in investigations,  
441.11 final determinations, and appeal rights following final determinations.

441.12 Subd. 4. **Provider education.** (a) The commissioner of health shall develop  
441.13 decision-making tools, including decision trees, regarding provider self-reported maltreatment  
441.14 allegations and share these tools with providers. As soon as practicable, the commissioner  
441.15 shall update the decision-making tools as necessary, including whenever federal or state  
441.16 requirements change, and inform providers that the updated tools are available. The  
441.17 commissioner shall develop decision-making tools that clarify and encourage reporting  
441.18 whether the provider is licensed or registered under federal or state law, while also educating  
441.19 on any distinctions in reporting under federal versus state law.

441.20 (b) The commissioner of health shall conduct rigorous trend analysis of maltreatment  
441.21 reports, triage decisions, investigation determinations, enforcement actions, and appeals to  
441.22 identify trends and patterns in reporting of maltreatment, substantiated maltreatment, and  
441.23 licensing violations, and share these findings with providers and interested stakeholders.

441.24 Subd. 5. **Departmental oversight of the Office of Health Facility Complaints.** The  
441.25 commissioner of health shall ensure that the commissioner's office provides direct oversight  
441.26 of the Office of Health Facility Complaints.

441.27 Sec. 3. **DIRECTION TO COMMISSIONER.**

441.28 On a quarterly basis until January 2021, and annually thereafter, the commissioner of  
441.29 health must submit a report on the Office of Health Facility Complaints' response to  
441.30 allegations of maltreatment of vulnerable adults. The report must include:

441.31 (1) a description and assessment of the office's efforts to improve its internal processes  
441.32 and compliance with federal and state requirements concerning allegations of maltreatment  
441.33 of vulnerable adults, including any relevant timelines;

442.1 (2) the number of reports received by the type of reporter, the number of reports  
 442.2 investigated, the percentage and number of reported cases awaiting triage, the number and  
 442.3 percentage of open investigations, and the number and percentage of investigations that  
 442.4 have failed to meet state or federal timelines by cause of delay;

442.5 (3) a trend analysis of internal audits conducted by the office; and

442.6 (4) trends and patterns in maltreatment of vulnerable adults, licensing violations by  
 442.7 facilities or providers serving vulnerable adults, and other metrics as determined by the  
 442.8 commissioner.

442.9 Sec. 4. **DIRECTION TO COMMISSIONERS.**

442.10 By February 1 of each year, the commissioners of health and human services must submit  
 442.11 an annual joint report on each department's response to allegations of maltreatment of  
 442.12 vulnerable adults. The annual report must include a description and assessment of the  
 442.13 departments' efforts to improve their internal processes and compliance with federal and  
 442.14 state requirements concerning allegations of maltreatment of vulnerable adults, including  
 442.15 any relevant timelines. The report must also include trends and patterns in maltreatment of  
 442.16 vulnerable adults, licensing violations by facilities or providers serving vulnerable adults,  
 442.17 and other metrics as determined by the commissioner.

442.18 This section expires upon submission of the commissioners' 2024 report.

## 442.19 **ARTICLE 28**

### 442.20 **CHILDREN AND FAMILIES; LICENSING**

442.21 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision  
 442.22 to read:

442.23 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in  
 442.24 the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section  
 442.25 11302, paragraph (a).

442.26 **EFFECTIVE DATE.** This section is effective August 12, 2019.

442.27 Sec. 2. Minnesota Statutes 2016, section 119B.011, subdivision 19, is amended to read:

442.28 Subd. 19. **Provider.** "Provider" means: (1) an individual or child care center or facility;  
 442.29 ~~either licensed or unlicensed,~~ providing licensed legal child care services as defined under  
 442.30 section 245A.03; ~~or~~ (2) a license exempt center required to be certified under chapter 245G;

443.1 (3) an individual or child care center or facility holding that:

443.2 (i) holds a valid child care license issued by another state or a tribe and providing;

443.3 (ii) provides child care services in the licensing state or in the area under the licensing  
443.4 tribe's jurisdiction; and

443.5 (iii) is in compliance with federal health and safety requirements as certified by the  
443.6 licensing state or tribe, or as determined by receipt of child care development block grant  
443.7 funds in the licensing state; or

443.8 (4) a legal nonlicensed child care provider as defined under section 119B.011, subdivision  
443.9 16, providing legal child care services. A legally unlicensed family legal nonlicensed child  
443.10 care provider must be at least 18 years of age, and not a member of the MFIP assistance  
443.11 unit or a member of the family receiving child care assistance to be authorized under this  
443.12 chapter.

443.13 **EFFECTIVE DATE.** This section is effective September 24, 2018.

443.14 Sec. 3. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended  
443.15 to read:

443.16 Subd. 20. **Transition year families.** "Transition year families" means families who have  
443.17 received MFIP assistance, or who were eligible to receive MFIP assistance after choosing  
443.18 to discontinue receipt of the cash portion of MFIP assistance under section 256J.31,  
443.19 subdivision 12, or families who have received DWP assistance under section 256J.95 for  
443.20 at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP.  
443.21 Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2,  
443.22 transition year child care may be used to support employment, approved education or training  
443.23 programs, or job search that meets the requirements of section 119B.10. Transition year  
443.24 child care is not available to families who have been disqualified from MFIP or DWP due  
443.25 to fraud.

443.26 **EFFECTIVE DATE.** This section is effective October 8, 2018.

443.27 Sec. 4. Minnesota Statutes 2016, section 119B.02, subdivision 7, is amended to read:

443.28 Subd. 7. **Child care market rate survey.** ~~Biennially,~~ The commissioner shall conduct  
443.29 the next survey of prices charged by child care providers in Minnesota in state fiscal year  
443.30 2021 and every three years thereafter to determine the 75th percentile for like-care  
443.31 arrangements in county price clusters.

444.1 Sec. 5. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended  
444.2 to read:

444.3 Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the  
444.4 county shall verify the following at all initial child care applications using the universal  
444.5 application:

444.6 (1) identity of adults;

444.7 (2) presence of the minor child in the home, if questionable;

444.8 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative  
444.9 caretaker, or the spouses of any of the foregoing;

444.10 (4) age;

444.11 (5) immigration status, if related to eligibility;

444.12 (6) Social Security number, if given;

444.13 (7) counted income;

444.14 (8) spousal support and child support payments made to persons outside the household;

444.15 (9) residence; and

444.16 (10) inconsistent information, if related to eligibility.

444.17 (b) The county must mail a notice of approval or denial of assistance to the applicant  
444.18 within 30 calendar days after receiving the application. The county may extend the response  
444.19 time by 15 calendar days if the applicant is informed of the extension.

444.20 (c) For an applicant who declares that the applicant is homeless and who meets the  
444.21 definition of homeless in section 119B.011, subdivision 13b, the county must:

444.22 (1) if information is needed to determine eligibility, send a request for information to  
444.23 the applicant within five working days after receiving the application;

444.24 (2) if the applicant is eligible, send a notice of approval of assistance within five working  
444.25 days after receiving the application;

444.26 (3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after  
444.27 receiving the application. The county may extend the response time by 15 calendar days if  
444.28 the applicant is informed of the extension;

444.29 (4) not require verifications required by paragraph (a) before issuing the notice of approval  
444.30 or denial; and

445.1 (5) follow limits set by the commissioner for how frequently expedited application  
 445.2 processing may be used for an applicant who declares that the applicant is homeless.

445.3 (d) An applicant who declares that the applicant is homeless must submit proof of  
 445.4 eligibility within three months of the date the application was received. If proof of eligibility  
 445.5 is not submitted within three months, eligibility ends. A 15-day adverse action notice is  
 445.6 required to end eligibility.

445.7 **EFFECTIVE DATE.** This section is effective August 12, 2019.

445.8 Sec. 6. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

445.9 Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five  
 445.10 percent of the annual appropriation for the basic sliding fee program to provide continuous  
 445.11 child care assistance for eligible families who move between Minnesota counties. At the  
 445.12 end of each allocation period, any unspent funds in the portability pool must be used for  
 445.13 assistance under the basic sliding fee program. If expenditures from the portability pool  
 445.14 exceed the amount of money available, the reallocation pool must be reduced to cover these  
 445.15 shortages.

445.16 (b) ~~To be eligible for portable basic sliding fee assistance,~~ A family that has moved from  
 445.17 a county in which it was receiving basic sliding fee assistance to a county with a waiting  
 445.18 list for the basic sliding fee program must:

445.19 (1) meet the income and eligibility guidelines for the basic sliding fee program; and

445.20 (2) ~~notify the new county of residence within 60 days of moving and submit information~~  
 445.21 ~~to the new county of residence to verify eligibility for the basic sliding fee program~~ the  
 445.22 family's previous county of residence of the family's move to a new county of residence.

445.23 (c) The receiving county must:

445.24 (1) accept administrative responsibility for applicants for portable basic sliding fee  
 445.25 assistance at the end of the two months of assistance under the Unitary Residency Act;

445.26 (2) continue portability pool basic sliding fee assistance ~~for the lesser of six months or~~  
 445.27 until the family is able to receive assistance under the county's regular basic sliding program;  
 445.28 and

445.29 (3) notify the commissioner through the quarterly reporting process of any family that  
 445.30 meets the criteria of the portable basic sliding fee assistance pool.

445.31 **EFFECTIVE DATE.** This section is effective October 8, 2018.

446.1 Sec. 7. Minnesota Statutes 2017 Supplement, section 119B.06, subdivision 1, is amended  
446.2 to read:

446.3 Subdivision 1. **Commissioner to administer block grant.** The commissioner is  
446.4 authorized and directed to receive, administer, and expend child care funds available under  
446.5 the child care and development block grant authorized under the Child Care and Development  
446.6 Block Grant Act of 2014, Public Law 113-186. From the discretionary amounts provided  
446.7 for federal fiscal year 2018 and reserved for quality activities, the commissioner shall ensure  
446.8 that funds are prioritized to increase the availability of training and business planning  
446.9 assistance for child care providers.

446.10 Sec. 8. Minnesota Statutes 2017 Supplement, section 119B.09, subdivision 1, is amended  
446.11 to read:

446.12 Subdivision 1. **General eligibility requirements.** (a) Child care services must be  
446.13 available to families who need child care to find or keep employment or to obtain the training  
446.14 or education necessary to find employment and who:

446.15 (1) have household income less than or equal to 67 percent of the state median income,  
446.16 adjusted for family size, at application and redetermination, and meet the requirements of  
446.17 section 119B.05; receive MFIP assistance; and are participating in employment and training  
446.18 services under chapter 256J; or

446.19 (2) have household income less than or equal to 47 percent of the state median income,  
446.20 adjusted for family size, at application and less than or equal to 67 percent of the state  
446.21 median income, adjusted for family size, at redetermination.

446.22 (b) Child care services must be made available as in-kind services.

446.23 (c) All applicants for child care assistance and families currently receiving child care  
446.24 assistance must be assisted and required to cooperate in establishment of paternity and  
446.25 enforcement of child support obligations for all children in the family at application and  
446.26 redetermination as a condition of program eligibility. For purposes of this section, a family  
446.27 is considered to meet the requirement for cooperation when the family complies with the  
446.28 requirements of section 256.741.

446.29 (d) All applicants for child care assistance and families currently receiving child care  
446.30 assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition  
446.31 of eligibility. The co-payment fee may include additional recoupment fees due to a child  
446.32 care assistance program overpayment.

447.1 (e) If a family has one child with a child care authorization and the child turns 13 years  
447.2 of age or the child has a disability and turns 15 years of age, the family remains eligible  
447.3 until the redetermination.

447.4 Sec. 9. Minnesota Statutes 2017 Supplement, section 119B.095, subdivision 2, is amended  
447.5 to read:

447.6 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota  
447.7 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for  
447.8 employment, education, or an MFIP or DWP employment plan shall continue at the same  
447.9 number of hours or more hours until redetermination, including:

447.10 (1) when the other parent moves in and is employed or has an education plan under  
447.11 section 119B.10, subdivision 3, or has an MFIP or DWP employment plan; or

447.12 (2) when the participant's work hours are reduced or a participant temporarily stops  
447.13 working or attending an approved education program. Temporary changes include, but are  
447.14 not limited to, a medical leave, seasonal employment fluctuations, or a school break between  
447.15 semesters.

447.16 (b) The county may increase the amount of child care authorized at any time if the  
447.17 participant verifies the need for increased hours for authorized activities.

447.18 (c) The county may reduce the amount of child care authorized if a parent requests a  
447.19 reduction or because of a change in:

447.20 (1) the child's school schedule;

447.21 (2) the custody schedule; or

447.22 (3) the provider's availability.

447.23 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph  
447.24 (b), must change when the participant's activity schedule changes. Paragraph (a) does not  
447.25 apply to a family subject to subdivision 1, paragraph (b).

447.26 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of  
447.27 age, the amount of child care authorized shall continue at the same number of hours or more  
447.28 hours until redetermination.

448.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended  
448.2 to read:

448.3 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum  
448.4 rate paid for child care assistance in any county or county price cluster under the child care  
448.5 fund shall be the greater of the 25th percentile calculated by the commissioner of the 2011  
448.6 most recent child care provider rate survey under section 119B.02, subdivision 7, or the  
448.7 maximum rate effective November 28, 2011 rates in effect at the time of the update:

448.8 (1) for the first update on February 22, 2019, the commissioner shall determine the  
448.9 percentile of the most recent child care provider rate survey, not to exceed the 25th percentile,  
448.10 that can be funded using Minnesota's increase in federal child care and development funds  
448.11 appropriated in the federal Consolidated Appropriations Act of 2018, Public Law 115-141,  
448.12 and any subsequent federal appropriation for federal fiscal year 2019, after complying with  
448.13 other requirements of the reauthorization of the Child Care Development Block Grant  
448.14 (CCDBG) Act of 2014, enacted in state law in 2018; and

448.15 (2) beginning in fiscal year 2022, the commissioner, in consultation with the  
448.16 commissioner of management and budget, shall determine the amount of federal funding  
448.17 for child care assistance programs to use in setting maximum rates for child care programs  
448.18 based on the most recent market survey, not to exceed the 25th percentile, so that the cost  
448.19 of compliance with child care development block grant requirements enacted in state law  
448.20 in 2018, including the rate adjustment, are paid only with federal CCDBG funds. If federal  
448.21 CCDBG funds are not sufficient to maintain the enacted compliance requirements and the  
448.22 maximum rates in effect at the time of the rate change, the commissioner must adjust  
448.23 maximum rates to remain within the limits of available funds.

448.24 (b) For a child care provider located within the boundaries of a city located in two or  
448.25 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child  
448.26 care assistance shall be equal to the maximum rate paid in the county with the highest  
448.27 maximum reimbursement rates or the provider's charge, whichever is less.

448.28 (c) The commissioner may: (1) assign a county with no reported provider prices to a  
448.29 similar price cluster; and (2) consider county level access when determining final price  
448.30 clusters.

448.31 ~~(b)~~ (d) A rate which includes a special needs rate paid under subdivision 3 may be in  
448.32 excess of the maximum rate allowed under this subdivision.

448.33 ~~(e)~~ (e) The department shall monitor the effect of this paragraph on provider rates. The  
448.34 county shall pay the provider's full charges for every child in care up to the maximum

449.1 established. The commissioner shall determine the maximum rate for each type of care on  
 449.2 an hourly, full-day, and weekly basis, including special needs and disability care.

449.3 ~~(d)~~ (f) If a child uses one provider, the maximum payment for one day of care must not  
 449.4 exceed the daily rate. The maximum payment for one week of care must not exceed the  
 449.5 weekly rate.

449.6 ~~(e)~~ (g) If a child uses two providers under section 119B.097, the maximum payment  
 449.7 must not exceed:

449.8 (1) the daily rate for one day of care;

449.9 (2) the weekly rate for one week of care by the child's primary provider; and

449.10 (3) two daily rates during two weeks of care by a child's secondary provider.

449.11 ~~(f)~~ (h) Child care providers receiving reimbursement under this chapter must not be paid  
 449.12 activity fees or an additional amount above the maximum rates for care provided during  
 449.13 nonstandard hours for families receiving assistance.

449.14 ~~(g)~~ (i) If the provider charge is greater than the maximum provider rate allowed, the  
 449.15 parent is responsible for payment of the difference in the rates in addition to any family  
 449.16 co-payment fee.

449.17 ~~(h)~~ (j) All maximum provider rates changes shall be implemented on the Monday  
 449.18 following the effective date of the maximum provider rate.

449.19 ~~(i)~~ (k) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum  
 449.20 registration fees in effect on January 1, 2013, shall remain in effect.

449.21 **EFFECTIVE DATE.** This section is effective February 22, 2019.

449.22 Sec. 11. Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8, is amended  
 449.23 to read:

449.24 Subd. 8. **Requirement to post ~~correction order~~ conditional license.** ~~(a)~~ For licensed  
 449.25 family child care providers and child care centers, upon receipt of any ~~correction order or~~  
 449.26 order of conditional license issued by the commissioner under this section, and  
 449.27 notwithstanding a pending request for reconsideration of the ~~correction order or~~ order of  
 449.28 conditional license by the license holder, the license holder shall post the ~~correction order~~  
 449.29 ~~or~~ order of conditional license in a place that is conspicuous to the people receiving services  
 449.30 and all visitors to the facility for two years. When the ~~correction order or~~ order of conditional  
 449.31 license is accompanied by a maltreatment investigation memorandum prepared under section

450.1 626.556 or 626.557, the investigation memoranda must be posted with the ~~correction order~~  
 450.2 ~~or~~ order of conditional license.

450.3 ~~(b) If the commissioner reverses or rescinds a violation in a correction order upon~~  
 450.4 ~~reconsideration under subdivision 2, the commissioner shall issue an amended correction~~  
 450.5 ~~order and the license holder shall post the amended order according to paragraph (a).~~

450.6 ~~(c) If the correction order is rescinded or reversed in full upon reconsideration under~~  
 450.7 ~~subdivision 2, the license holder shall remove the original correction order posted according~~  
 450.8 ~~to paragraph (a).~~

450.9 Sec. 12. Minnesota Statutes 2016, section 245A.175, is amended to read:

450.10 **245A.175 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL**  
 450.11 **HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

450.12 Prior to a nonemergency placement of a child in a foster care home, the child foster care  
 450.13 license holder and caregivers in foster family and treatment foster care settings, and all staff  
 450.14 providing care in foster residence settings must complete two hours of training that addresses  
 450.15 the causes, symptoms, and key warning signs of mental health disorders; cultural  
 450.16 considerations; and effective approaches for dealing with a child's behaviors. At least one  
 450.17 hour of the annual training requirement for the foster family license holder and caregivers,  
 450.18 and foster residence staff must be on children's mental health issues and treatment. Except  
 450.19 for providers and services under chapter 245D, the annual training must also include at least  
 450.20 one hour of training on fetal alcohol spectrum disorders ~~within the first 12 months of~~  
 450.21 ~~licensure. After the first 12 months of licensure, training on fetal alcohol spectrum disorders~~  
 450.22 ~~may count,~~ which must be counted toward the 12 hours of required in-service training per  
 450.23 year. Short-term substitute caregivers are exempt from these requirements. Training  
 450.24 curriculum shall be approved by the commissioner of human services.

450.25 Sec. 13. Minnesota Statutes 2016, section 245C.14, is amended to read:

450.26 **245C.14 DISQUALIFICATION.**

450.27 Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall  
 450.28 disqualify an individual who is the subject of a background study from any position allowing  
 450.29 direct contact with persons receiving services from the license holder or entity identified in  
 450.30 section 245C.03, upon receipt of information showing, or when a background study  
 450.31 completed under this chapter shows any of the following:

451.1 (1) a conviction of, admission to, or Alford plea to one or more crimes listed in section  
451.2 245C.15, regardless of whether the conviction or admission is a felony, gross misdemeanor,  
451.3 or misdemeanor level crime;

451.4 (2) a preponderance of the evidence indicates the individual has committed an act or  
451.5 acts that meet the definition of any of the crimes listed in section 245C.15, regardless of  
451.6 whether the preponderance of the evidence is for a felony, gross misdemeanor, or  
451.7 misdemeanor level crime; or

451.8 (3) an investigation results in an administrative determination listed under section  
451.9 245C.15, subdivision 4, paragraph (b).

451.10 (b) No individual who is disqualified following a background study under section  
451.11 245C.03, subdivisions 1 and 2, may be retained in a position involving direct contact with  
451.12 persons served by a program or entity identified in section 245C.03, unless the commissioner  
451.13 has provided written notice under section 245C.17 stating that:

451.14 (1) the individual may remain in direct contact during the period in which the individual  
451.15 may request reconsideration as provided in section 245C.21, subdivision 2;

451.16 (2) the commissioner has set aside the individual's disqualification for that program or  
451.17 entity identified in section 245C.03, as provided in section 245C.22, subdivision 4; or

451.18 (3) the license holder has been granted a variance for the disqualified individual under  
451.19 section 245C.30.

451.20 (c) The commissioner shall not disqualify an individual under this subdivision based on  
451.21 (1) a record of conviction that was expunged under chapter 609A and the order was directed  
451.22 specifically to the commissioner, or (2) any underlying fact or element from an expunged  
451.23 record of an arrest, criminal charge, or conviction and the order was directed specifically  
451.24 to the commissioner. Nothing in this paragraph prohibits the commissioner from disqualifying  
451.25 an individual based upon a separate administrative determination under section 245C.15,  
451.26 subdivision 4, paragraph (b), unless there is a court order directed specifically to the  
451.27 commissioner to expunge an administrative order.

451.28 **Subd. 2. Disqualification from access.** (a) If an individual who is studied under section  
451.29 245C.03, subdivision 1, paragraph (a), clauses (2), (5), and (6), is disqualified from direct  
451.30 contact under subdivision 1, the commissioner shall also disqualify the individual from  
451.31 access to a person receiving services from the license holder.

451.32 (b) No individual who is disqualified following a background study under section  
451.33 245C.03, subdivision 1, paragraph (a), clauses (2), (5), and (6), or as provided elsewhere

452.1 in statute who is disqualified as a result of this section, may be allowed access to persons  
452.2 served by the program unless the commissioner has provided written notice under section  
452.3 245C.17 stating that:

452.4 (1) the individual may remain in direct contact during the period in which the individual  
452.5 may request reconsideration as provided in section 245C.21, subdivision 2;

452.6 (2) the commissioner has set aside the individual's disqualification for that licensed  
452.7 program or entity identified in section 245C.03 as provided in section 245C.22, subdivision  
452.8 4; or

452.9 (3) the license holder has been granted a variance for the disqualified individual under  
452.10 section 245C.30.

452.11 (c) The commissioner shall not disqualify an individual under this subdivision based on  
452.12 (1) a record of conviction that was expunged under chapter 609A and the order was directed  
452.13 specifically to the commissioner, or (2) any underlying fact or element from an expunged  
452.14 record of an arrest, criminal charge, or conviction and the order was directed specifically  
452.15 to the commissioner. Nothing in this paragraph prohibits the commissioner from disqualifying  
452.16 an individual based upon a separate administrative determination under section 245C.15,  
452.17 subdivision 4, paragraph (b), unless there is a court order directed specifically to the  
452.18 commissioner to expunge an administrative order.

452.19 Sec. 14. Minnesota Statutes 2016, section 245C.15, is amended by adding a subdivision  
452.20 to read:

452.21 Subd. 6. **Expunged criminal records.** The commissioner shall not disqualify an  
452.22 individual subject to a background study under this chapter based on (1) a record of  
452.23 conviction that was expunged under chapter 609A and the order was directed specifically  
452.24 to the commissioner, or (2) any underlying fact or element from an expunged record of an  
452.25 arrest, criminal charge, or conviction and the order was directed specifically to the  
452.26 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying  
452.27 an individual based upon a separate administrative determination under section 245C.15,  
452.28 subdivision 4, paragraph (b), unless there is a court order directed specifically to the  
452.29 commissioner to expunge an administrative order.

453.1 Sec. 15. Minnesota Statutes 2017 Supplement, section 245C.16, subdivision 1, is amended  
453.2 to read:

453.3 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines  
453.4 that the individual studied has a disqualifying characteristic, the commissioner shall review  
453.5 the information immediately available and make a determination as to the subject's immediate  
453.6 risk of harm to persons served by the program where the individual studied will have direct  
453.7 contact with, or access to, people receiving services.

453.8 (b) The commissioner shall consider all relevant information available, including the  
453.9 following factors in determining the immediate risk of harm:

453.10 (1) the recency of the disqualifying characteristic;

453.11 (2) the recency of discharge from probation for the crimes;

453.12 (3) the number of disqualifying characteristics;

453.13 (4) the intrusiveness or violence of the disqualifying characteristic;

453.14 (5) the vulnerability of the victim involved in the disqualifying characteristic;

453.15 (6) the similarity of the victim to the persons served by the program where the individual  
453.16 studied will have direct contact;

453.17 (7) whether the individual has a disqualification from a previous background study that  
453.18 has not been set aside; and

453.19 (8) if the individual has a disqualification which may not be set aside because it is a  
453.20 permanent bar under section 245C.24, subdivision 1, or the individual is a child care staff  
453.21 person who has a felony-level conviction for a drug-related offense in the last five years,  
453.22 the commissioner may order the immediate removal of the individual from any position  
453.23 allowing direct contact with, or access to, persons receiving services from the program.

453.24 (c) This section does not apply when the subject of a background study is regulated by  
453.25 a health-related licensing board as defined in chapter 214, and the subject is determined to  
453.26 be responsible for substantiated maltreatment under section 626.556 or 626.557.

453.27 (d) This section does not apply to a background study related to an initial application  
453.28 for a child foster care license.

453.29 (e) Except for paragraph ~~(f)~~ (g), this section does not apply to a background study that  
453.30 is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a  
453.31 personal care assistant or a qualified professional as defined in section 256B.0659,  
453.32 subdivision 1.

454.1 (f) This section does not apply if the subject of a background study has a conviction that  
454.2 was expunged under chapter 609A and the order was directed specifically to the  
454.3 commissioner, or any underlying fact or element from an expunged record of an arrest,  
454.4 criminal charge, or conviction and the order was directed specifically to the commissioner.  
454.5 Nothing in this paragraph prohibits the commissioner from disqualifying an individual based  
454.6 upon a separate administrative determination under section 245C.15, subdivision 4, paragraph  
454.7 (b), unless there is a court order directed specifically to the commissioner to expunge an  
454.8 administrative order.

454.9 ~~(f)~~ (g) If the commissioner has reason to believe, based on arrest information or an active  
454.10 maltreatment investigation, that an individual poses an imminent risk of harm to persons  
454.11 receiving services, the commissioner may order that the person be continuously supervised  
454.12 or immediately removed pending the conclusion of the maltreatment investigation or criminal  
454.13 proceedings.

454.14 Sec. 16. Minnesota Statutes 2016, section 245C.22, is amended by adding a subdivision  
454.15 to read:

454.16 Subd. 8. **Expunged records.** This section does not apply if the subject of a background  
454.17 study has a conviction that was expunged under chapter 609A, and the order was directed  
454.18 specifically to the commissioner, or any underlying fact or element from an expunged record  
454.19 of an arrest, criminal charge, or conviction and the order was directed specifically to the  
454.20 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying  
454.21 an individual based upon a separate administrative determination under section 245C.15,  
454.22 subdivision 4, paragraph (b), unless there is a court order directed specifically to the  
454.23 commissioner to expunge an administrative order.

454.24 Sec. 17. Minnesota Statutes 2016, section 245C.24, is amended by adding a subdivision  
454.25 to read:

454.26 Subd. 5. **Expunged criminal records.** The commissioner shall not disqualify an  
454.27 individual subject to a background study under this chapter based on (1) a record of  
454.28 conviction that was expunged under chapter 609A and the order was directed specifically  
454.29 to the commissioner, or (2) any underlying fact or element from an expunged record of an  
454.30 arrest, criminal charge, or conviction and the order was directed specifically to the  
454.31 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying  
454.32 an individual based upon a separate administrative determination under section 245C.15,

455.1 subdivision 4, paragraph (b), unless there is a court order directed specifically to the  
455.2 commissioner to expunge an administrative order.

455.3 Sec. 18. Minnesota Statutes 2016, section 254A.035, subdivision 2, is amended to read:

455.4 Subd. 2. **Membership terms, compensation, removal and expiration.** The membership  
455.5 of this council shall be composed of 17 persons who are American Indians and who are  
455.6 appointed by the commissioner. The commissioner shall appoint one representative from  
455.7 each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band,  
455.8 Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake  
455.9 Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte  
455.10 Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower  
455.11 Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton  
455.12 Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern  
455.13 Range; Duluth Urban Indian Community; and two representatives from the Minneapolis  
455.14 Urban Indian Community and two from the St. Paul Urban Indian Community. The terms,  
455.15 compensation, and removal of American Indian Advisory Council members shall be as  
455.16 provided in section 15.059. The council expires June 30, ~~2018~~ 2023.

455.17 Sec. 19. Minnesota Statutes 2016, section 256.01, subdivision 14b, is amended to read:

455.18 Subd. 14b. **American Indian child welfare projects.** (a) The commissioner of human  
455.19 services may authorize projects to test tribal delivery of child welfare services to American  
455.20 Indian children and their parents and custodians living on the reservation. The commissioner  
455.21 has authority to solicit and determine which tribes may participate in a project. Grants may  
455.22 be issued to Minnesota Indian tribes to support the projects. The commissioner may waive  
455.23 existing state rules as needed to accomplish the projects. The commissioner may authorize  
455.24 projects to use alternative methods of (1) investigating and assessing reports of child  
455.25 maltreatment, and (2) administrative reconsideration, administrative appeal, and judicial  
455.26 appeal of maltreatment determinations, provided the alternative methods used by the projects  
455.27 comply with the provisions of sections 256.045 and 626.556 dealing with the rights of  
455.28 individuals who are the subjects of reports or investigations, including notice and appeal  
455.29 rights and data practices requirements. The commissioner may seek any federal approvals  
455.30 necessary to carry out the projects as well as seek and use any funds available to the  
455.31 commissioner, including use of federal funds, foundation funds, existing grant funds, and  
455.32 other funds. The commissioner is authorized to advance state funds as necessary to operate  
455.33 the projects. Federal reimbursement applicable to the projects is appropriated to the

456.1 commissioner for the purposes of the projects. The projects must be required to address  
456.2 responsibility for safety, permanency, and well-being of children.

456.3 (b) For the purposes of this section, "American Indian child" means a person under 21  
456.4 years old and who is a tribal member or eligible for membership in one of the tribes chosen  
456.5 for a project under this subdivision and who is residing on the reservation of that tribe.

456.6 (c) In order to qualify for an American Indian child welfare project, a tribe must:

456.7 (1) be one of the existing tribes with reservation land in Minnesota;

456.8 (2) have a tribal court with jurisdiction over child custody proceedings;

456.9 (3) have a substantial number of children for whom determinations of maltreatment have  
456.10 occurred;

456.11 (4) have capacity to respond to reports of abuse and neglect under section 626.556;

456.12 (5) provide a wide range of services to families in need of child welfare services; and

456.13 (6) have a tribal-state title IV-E agreement in effect.

456.14 (d) Grants awarded under this section may be used for the nonfederal costs of providing  
456.15 child welfare services to American Indian children on the tribe's reservation, including costs  
456.16 associated with:

456.17 (1) assessment and prevention of child abuse and neglect;

456.18 (2) family preservation;

456.19 (3) facilitative, supportive, and reunification services;

456.20 (4) out-of-home placement for children removed from the home for child protective  
456.21 purposes; and

456.22 (5) other activities and services approved by the commissioner that further the goals of  
456.23 providing safety, permanency, and well-being of American Indian children.

456.24 (e) When a tribe has initiated a project and has been approved by the commissioner to  
456.25 assume child welfare responsibilities for American Indian children of that tribe under this  
456.26 section, the affected county social service agency is relieved of responsibility for responding  
456.27 to reports of abuse and neglect under section 626.556 for those children during the time  
456.28 within which the tribal project is in effect and funded. The commissioner shall work with  
456.29 tribes and affected counties to develop procedures for data collection, evaluation, and  
456.30 clarification of ongoing role and financial responsibilities of the county and tribe for child  
456.31 welfare services prior to initiation of the project. Children who have not been identified by

457.1 the tribe as participating in the project shall remain the responsibility of the county. Nothing  
457.2 in this section shall alter responsibilities of the county for law enforcement or court services.

457.3 (f) Participating tribes may conduct children's mental health screenings under section  
457.4 245.4874, subdivision 1, paragraph (a), clause (12), for children who are eligible for the  
457.5 initiative and living on the reservation and who meet one of the following criteria:

457.6 (1) the child must be receiving child protective services;

457.7 (2) the child must be in foster care; or

457.8 (3) the child's parents must have had parental rights suspended or terminated.

457.9 Tribes may access reimbursement from available state funds for conducting the screenings.  
457.10 Nothing in this section shall alter responsibilities of the county for providing services under  
457.11 section 245.487.

457.12 (g) Participating tribes may establish a local child mortality review panel. In establishing  
457.13 a local child mortality review panel, the tribe agrees to conduct local child mortality reviews  
457.14 for child deaths or near-fatalities occurring on the reservation under subdivision 12. Tribes  
457.15 with established child mortality review panels shall have access to nonpublic data and shall  
457.16 protect nonpublic data under subdivision 12, paragraphs (c) to (e). The tribe shall provide  
457.17 written notice to the commissioner and affected counties when a local child mortality review  
457.18 panel has been established and shall provide data upon request of the commissioner for  
457.19 purposes of sharing nonpublic data with members of the state child mortality review panel  
457.20 in connection to an individual case.

457.21 (h) The commissioner shall collect information on outcomes relating to child safety,  
457.22 permanency, and well-being of American Indian children who are served in the projects.  
457.23 Participating tribes must provide information to the state in a format and completeness  
457.24 deemed acceptable by the state to meet state and federal reporting requirements.

457.25 (i) In consultation with the White Earth Band, the commissioner shall develop and submit  
457.26 to the chairs and ranking minority members of the legislative committees with jurisdiction  
457.27 over health and human services a plan to transfer legal responsibility for providing child  
457.28 protective services to White Earth Band member children residing in Hennepin County to  
457.29 the White Earth Band. The plan shall include a financing proposal, definitions of key terms,  
457.30 statutory amendments required, and other provisions required to implement the plan. The  
457.31 commissioner shall submit the plan by January 15, 2012.

457.32 (j) The commissioner and the Red Lake Nation, in consultation with Beltrami County,  
457.33 Clearwater County, and Lake of the Woods County, shall develop a proposal to transfer

458.1 legal and financial responsibility to the tribe for providing child welfare and child protection  
 458.2 services to tribal members and families who reside on the Red Lake Reservation in Beltrami,  
 458.3 Clearwater, and Lake of the Woods Counties. The proposal shall be provided to the members  
 458.4 of the house of representatives and senate committees with jurisdiction over health and  
 458.5 human services no later than January 15, 2019.

458.6 Sec. 20. Minnesota Statutes 2016, section 256K.45, subdivision 2, is amended to read:

458.7 Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report,  
 458.8 beginning in February 2015, which provides meaningful information to the legislative  
 458.9 committees having jurisdiction over the issue of homeless youth, that includes, but is not  
 458.10 limited to: (1) a list of the areas of the state with the greatest need for services and housing  
 458.11 for homeless youth, and the level and nature of the needs identified; (2) details about grants  
 458.12 made; (3) the distribution of funds throughout the state based on population need; (4)  
 458.13 follow-up information, if available, on the status of homeless youth and whether they have  
 458.14 stable housing two years after services are provided; and (5) any other outcomes for  
 458.15 populations served to determine the effectiveness of the programs and use of funding. The  
 458.16 commissioner is exempt from preparing this report in 2019 and must instead update the  
 458.17 2007 report on homeless youth under section 28.

458.18 Sec. 21. Minnesota Statutes 2016, section 256M.41, subdivision 3, is amended to read:

458.19 Subd. 3. **Payments based on performance.** (a) The commissioner shall make payments  
 458.20 under this section to each county ~~board on a calendar year basis in an amount determined~~  
 458.21 ~~under paragraph (b)~~ on or before July 10 of each year.

458.22 ~~(b) Calendar year allocations under subdivision 1 shall be paid to counties in the following~~  
 458.23 ~~manner:~~

458.24 ~~(1) 80 percent of the allocation as determined in subdivision 1 must be paid to counties~~  
 458.25 ~~on or before July 10 of each year;~~

458.26 ~~(2) ten percent of the allocation shall be withheld until the commissioner determines if~~  
 458.27 ~~the county has met the performance outcome threshold of 90 percent based on face-to-face~~  
 458.28 ~~contact with alleged child victims. In order to receive the performance allocation, the county~~  
 458.29 ~~child protection workers must have a timely face-to-face contact with at least 90 percent of~~  
 458.30 ~~all alleged child victims of screened-in maltreatment reports. The standard requires that~~  
 458.31 ~~each initial face-to-face contact occur consistent with timelines defined in section 626.556,~~  
 458.32 ~~subdivision 10, paragraph (i). The commissioner shall make threshold determinations in~~  
 458.33 ~~January of each year and payments to counties meeting the performance outcome threshold~~

459.1 shall occur in February of each year. Any withheld funds from this appropriation for counties  
459.2 that do not meet this requirement shall be reallocated by the commissioner to those counties  
459.3 meeting the requirement; and

459.4 ~~(3) ten percent of the allocation shall be withheld until the commissioner determines~~  
459.5 ~~that the county has met the performance outcome threshold of 90 percent based on~~  
459.6 ~~face-to-face visits by the case manager. In order to receive the performance allocation, the~~  
459.7 ~~total number of visits made by caseworkers on a monthly basis to children in foster care~~  
459.8 ~~and children receiving child protection services while residing in their home must be at least~~  
459.9 ~~90 percent of the total number of such visits that would occur if every child were visited~~  
459.10 ~~once per month. The commissioner shall make such determinations in January of each year~~  
459.11 ~~and payments to counties meeting the performance outcome threshold shall occur in February~~  
459.12 ~~of each year. Any withheld funds from this appropriation for counties that do not meet this~~  
459.13 ~~requirement shall be reallocated by the commissioner to those counties meeting the~~  
459.14 ~~requirement. For 2015, the commissioner shall only apply the standard for monthly foster~~  
459.15 ~~care visits.~~

459.16 ~~(e) The commissioner shall work with stakeholders and the Human Services Performance~~  
459.17 ~~Council under section 402A.16 to develop recommendations for specific outcome measures~~  
459.18 ~~that counties should meet in order to receive funds withheld under paragraph (b), and include~~  
459.19 ~~in those recommendations a determination as to whether the performance measures under~~  
459.20 ~~paragraph (b) should be modified or phased out. The commissioner shall report the~~  
459.21 ~~recommendations to the legislative committees having jurisdiction over child protection~~  
459.22 ~~issues by January 1, 2018.~~

459.23 Sec. 22. Minnesota Statutes 2016, section 256M.41, is amended by adding a subdivision  
459.24 to read:

459.25 Subd. 4. **County performance on child protection measures.** The commissioner shall  
459.26 set child protection measures and standards. The commissioner shall require an  
459.27 underperforming county to demonstrate that the county designated sufficient funds and  
459.28 implemented a reasonable strategy to improve child protection performance, including the  
459.29 provision of a performance improvement plan and additional remedies identified by the  
459.30 commissioner. The commissioner may redirect up to 20 percent of a county's funds under  
459.31 this section toward the performance improvement plan for a county not meeting child  
459.32 protection standards and not demonstrating significant improvement. Sanctions under section  
459.33 256M.20, subdivision 3, related to noncompliance with federal performance standards also  
459.34 apply.

460.1 Sec. 23. Minnesota Statutes 2016, section 256N.24, is amended by adding a subdivision  
460.2 to read:

460.3 Subd. 2a. **Minnesota assessment of parenting for children and youth (MAPCY)**  
460.4 **revision.** The commissioner, in consultation with representatives from communities of  
460.5 color, including but not limited to advisory councils and ombudspersons, shall review and  
460.6 revise the MAPCY tool and incorporate changes that take into consideration different  
460.7 cultures and the diverse needs of communities of color.

460.8 Sec. 24. Minnesota Statutes 2016, section 260.835, subdivision 2, is amended to read:

460.9 Subd. 2. **Expiration.** The American Indian Child Welfare Advisory Council expires  
460.10 June 30, ~~2018~~ 2023.

460.11 Sec. 25. **[260C.008] FOSTER CARE SIBLING BILL OF RIGHTS.**

460.12 Subdivision 1. **Statement of rights.** (a) A child placed in foster care who has a sibling  
460.13 has the right to:

460.14 (1) be placed in foster care homes with the child's siblings, when possible and when it  
460.15 is in the best interest of each sibling, in order to sustain family relationships;

460.16 (2) be placed in close geographical distance to the child's siblings, if placement together  
460.17 is not possible, to facilitate frequent and meaningful contact;

460.18 (3) have frequent contact with the child's siblings in foster care and, whenever possible,  
460.19 with the child's siblings who are not in foster care, unless the responsible social services  
460.20 agency has documented that contact is not in the best interest of any sibling. Contact includes,  
460.21 but is not limited to, telephone calls, text messaging, social media and other Internet use,  
460.22 and video calls;

460.23 (4) annually receive a telephone number, address, and e-mail address for all siblings in  
460.24 foster care, and receive updated photographs of siblings regularly, by regular mail or e-mail;

460.25 (5) participate in regular face-to-face visits with the child's siblings in foster care and,  
460.26 whenever possible, with the child's siblings who are not in foster care. Participation in these  
460.27 visits shall not be withheld or restricted as a consequence for behavior, and shall only be  
460.28 restricted if the responsible social services agency documents that the visits are contrary to  
460.29 the safety or well-being of any sibling. Social workers, parents, foster care providers, and  
460.30 older children must cooperate to ensure regular visits and must coordinate dates, times,  
460.31 transportation, and other accommodations as necessary. The timing and regularity of visits  
460.32 shall be outlined in each sibling's service plan, based on the individual circumstances and

461.1 needs of each child. A social worker need not give explicit permission for each visit or  
461.2 possible overnight visit, but foster care providers shall communicate with social workers  
461.3 about these visits;

461.4 (6) be actively involved in each other's lives and share celebrations, if they choose to  
461.5 do so, including but not limited to birthdays, holidays, graduations, school and extracurricular  
461.6 activities, cultural customs in the siblings' native language, and other milestones;

461.7 (7) be promptly informed about changes in sibling placements or circumstances, including  
461.8 but not limited to new placements, discharge from placements, significant life events, and  
461.9 discharge from foster care;

461.10 (8) be included in permanency planning decisions for siblings, if appropriate; and

461.11 (9) be informed of the expectations for and possibility of continued contact with a sibling  
461.12 after an adoption or transfer of permanent physical and legal custody to a relative.

461.13 (b) Adult siblings of children in foster care shall have the right to be considered as foster  
461.14 care providers, adoptive parents, and relative custodians for their siblings, if they choose  
461.15 to do so.

461.16 Subd. 2. **Interpretation.** The rights under this section are established for the benefit of  
461.17 siblings in foster care. This statement of rights does not replace or diminish other rights,  
461.18 liberties, and responsibilities that may exist relative to children in foster care, adult siblings  
461.19 of children in foster care, foster care providers, parents, relatives, or responsible social  
461.20 services agencies.

461.21 Subd. 3. **Disclosure.** Child welfare agency staff shall provide a copy of these rights to  
461.22 a child who has a sibling at the time the child enters foster care, to any adult siblings of a  
461.23 child entering foster care, if known, and to the foster care provider, in a format specified  
461.24 by the commissioner of human services. The copy shall contain the address and telephone  
461.25 number of the Office of Ombudsman for Families and a brief statement describing how to  
461.26 file a complaint with the office.

461.27 **EFFECTIVE DATE.** This section is effective for children entering foster care on or  
461.28 after August 1, 2018. Subdivision 3 is effective August 1, 2018, and applies to all children  
461.29 in foster care on that date, regardless of when the child entered foster care.

461.30 Sec. 26. **[260C.81] CHILD WELFARE TRAINING SYSTEM.**

461.31 Subdivision 1. **Child welfare training system.** (a) The commissioner of human services  
461.32 shall modify the Child Welfare Training System developed pursuant to section 626.5591,

462.1 subdivision 2, as provided in this section. The new training framework shall be known as  
462.2 the Child Welfare Training Academy.

462.3 (b) The Child Welfare Training Academy shall be administered through five regional  
462.4 hubs in northwest, northeast, southwest, southeast, and central Minnesota. Each hub shall  
462.5 deliver training targeted to the needs of its particular region, taking into account varying  
462.6 demographics, resources, and practice outcomes.

462.7 (c) The Child Welfare Training Academy shall use training methods best suited to the  
462.8 training content. National best practices in adult learning must be used to the greatest extent  
462.9 possible, including online learning methodologies, coaching, mentoring, and simulated skill  
462.10 application.

462.11 (d) Each child welfare worker and supervisor shall be required to complete a certification,  
462.12 including a competency-based knowledge test and a skills demonstration, at the completion  
462.13 of the worker's initial training and biennially thereafter. The commissioner shall develop  
462.14 ongoing training requirements and a method for tracking certifications.

462.15 (e) Each regional hub shall have a regional organizational effectiveness specialist trained  
462.16 in continuous quality improvement strategies. The specialist shall provide organizational  
462.17 change assistance to counties and tribes, with priority given to efforts intended to impact  
462.18 child safety.

462.19 (f) The Child Welfare Training Academy shall include training and resources that address  
462.20 worker well-being and secondary traumatic stress.

462.21 (g) The Child Welfare Training Academy shall serve the primary training audiences of:  
462.22 (1) county and tribal child welfare workers; (2) county and tribal child welfare supervisors;  
462.23 and (3) staff at private agencies providing out-of-home placement services for children  
462.24 involved in Minnesota's county and tribal child welfare system.

462.25 (h) The commissioner of human services shall enter: (1) into a partnership with the  
462.26 University of Minnesota to collaborate in the administration of workforce training; and (2)  
462.27 enter into a partnership with one or more agencies to provide consultation, subject matter  
462.28 expertise, and capacity building in organizational resilience and child welfare workforce  
462.29 well-being.

462.30 Subd. 2. **Rulemaking.** The commissioner of human services may adopt rules by  
462.31 December 31, 2020, as necessary to establish the Child Welfare Training Academy. If the  
462.32 commissioner of human services does not adopt rules by December 31, 2020, rulemaking  
462.33 authority under this section is repealed. Rulemaking authority under this section is not

463.1 continuing authority to amend or repeal rules. Any additional action on rules after adoption  
463.2 must be under specific statutory authority to take the additional action.

463.3 Sec. 27. Minnesota Statutes 2016, section 626.556, is amended by adding a subdivision  
463.4 to read:

463.5 **Subd. 17. Child protection safety and risk-based framework response system**  
463.6 **planning initiative.** (a) The commissioner shall partner with select Minnesota counties and  
463.7 tribal child welfare agencies, including Hennepin County and at least one rural county, and  
463.8 other counties that must represent a balance around the state, to make recommendations for  
463.9 the creation of a safety and risk-based framework that will improve appropriate, timely, and  
463.10 adequate responses to a child's safety needs using a trauma-informed lens. As part of this  
463.11 work, the commissioner, county, and tribal child welfare agencies shall review Minnesota's  
463.12 child maltreatment statutes, administrative rules, guidelines, and practices, and make  
463.13 recommendations on modifications needed to implement a safety and risk-based framework  
463.14 and a response system that enhances the protection of children and best focuses county and  
463.15 tribal child protection resources in accordance with the risk and safety needs of children.  
463.16 In forming these recommendations, the commissioner shall consult with county attorneys,  
463.17 law enforcement, parents, attorneys representing parents, the guardian ad litem program,  
463.18 mental and physical health care providers, child development experts, and other stakeholders  
463.19 that the commissioner deems appropriate.

463.20 (b) By January 31, 2019, the commissioner shall make recommendations regarding the  
463.21 creation of a safety and risk-based framework to the relevant legislative committees.

463.22 Sec. 28. **2018 REPORT TO LEGISLATURE ON HOMELESS YOUTH.**

463.23 **Subdivision 1. Report development.** In lieu of the biennial homeless youth report under  
463.24 Minnesota Statutes, section 256K.45, subdivision 2, the commissioner of human services  
463.25 shall update the information in the 2007 legislative report on runaway and homeless youth.  
463.26 In developing the updated report, the commissioner may use existing data, studies, and  
463.27 analysis provided by state, county, and other entities including, but not limited to:

463.28 (1) Minnesota Housing Finance Agency analysis on housing availability;

463.29 (2) Minnesota state plan to end homelessness;

463.30 (3) continuum of care counts of youth experiencing homelessness and assessments as  
463.31 provided by Department of Housing and Urban Development (HUD)-required coordinated  
463.32 entry systems;

464.1 (4) data collected through the Department of Human Services Homeless Youth Act grant  
 464.2 program;

464.3 (5) Wilder Research homeless study;

464.4 (6) Voices of Youth Count sponsored by Hennepin County; and

464.5 (7) privately funded analysis, including:

464.6 (i) nine evidence-based principles to support youth in overcoming homelessness;

464.7 (ii) return on investment analysis conducted for YouthLink by Foldes Consulting; and

464.8 (iii) evaluation of Homeless Youth Act resources conducted by Rainbow Research.

464.9 Subd. 2. **Key elements; due date.** (a) The report may include three key elements where  
 464.10 significant learning has occurred in the state since the 2007 report, including:

464.11 (1) unique causes of youth homelessness;

464.12 (2) targeted responses to youth homelessness, including significance of positive youth  
 464.13 development as fundamental to each targeted response; and

464.14 (3) recommendations based on existing reports and analysis on what it will take to end  
 464.15 youth homelessness.

464.16 (b) To the extent data is available, the report may include:

464.17 (1) general accounting of the federal and philanthropic funds leveraged to support  
 464.18 homeless youth activities;

464.19 (2) general accounting of the increase in volunteer responses to support youth  
 464.20 experiencing homelessness; and

464.21 (3) data-driven accounting of geographic areas or distinct populations that have gaps in  
 464.22 service or are not yet served by homeless youth responses.

464.23 (c) The commissioner of human services may consult with community-based providers  
 464.24 of homeless youth services and other expert stakeholders to complete the report. The  
 464.25 commissioner shall submit the report to the chairs and ranking minority members of the  
 464.26 legislative committees with jurisdiction over youth homelessness by February 15, 2019.

464.27 Sec. 29. **AFRICAN AMERICAN CHILD WELFARE WORK GROUP.**

464.28 The commissioner of human services shall form an African American child welfare  
 464.29 work group within the implementation work group for the Governor's Child Protection Task  
 464.30 Force to help formulate policies and procedures relating to African American child welfare

465.1 services and to ensure that African American families are provided with all possible services  
465.2 and opportunities to care for their children in their homes. The work group shall include  
465.3 child welfare policy and social work professionals and paraprofessionals, community  
465.4 members, community leaders, and parents representing all regions of the state. By February  
465.5 1, 2019, the work group shall report its findings and recommendations to the chairs and  
465.6 ranking minority members of the legislative committees with jurisdiction over child  
465.7 protection issues.

465.8 **Sec. 30. REVIEW OF BACKGROUND STUDIES AND LICENSING PROCESSES**  
465.9 **FOR RELATIVE FOSTER CARE.**

465.10 (a) The commissioner shall work with six counties, which must include Hennepin County,  
465.11 at least one rural county, and other counties that must represent a balance around the state,  
465.12 to review the background study and licensing processes for relative child foster care. The  
465.13 review must analyze past reports on foster care, licensing data, barriers to timely licensure  
465.14 for relatives, child safety, well-being, and permanency outcomes of children placed in foster  
465.15 care with relatives.

465.16 (b) By January 31, 2019, the commissioner shall make recommendations for improving  
465.17 the background study and licensing processes for children placed in foster care with relatives  
465.18 to the relevant legislative committees.

465.19 **Sec. 31. DEPARTMENT OF LICENSING, BACKGROUND STUDIES, AND**  
465.20 **OVERSIGHT.**

465.21 (a) It is the goal of the legislature to consolidate into one new state agency the licensing,  
465.22 background study, and related oversight functions currently in the Department of Human  
465.23 Services and Department of Health, including the Office of Inspector General, the Minnesota  
465.24 Adult Abuse Reporting Center (MAARC), and the Office of Health Facility Complaints  
465.25 (OHFC).

465.26 (b) The commissioners of human services and health shall work with the revisor of  
465.27 statutes to draft legislation establishing the new state agency, and provide the legislation to  
465.28 the chairs and ranking minority members of the senate and house of representatives  
465.29 committees with jurisdiction over health and human services by December 15, 2018, with  
465.30 the goal of the new state agency to begin operations on July 1, 2019.

466.1

**ARTICLE 29**

466.2

**STATE-OPERATED SERVICES; CHEMICAL AND MENTAL HEALTH**

466.3

Section 1. Minnesota Statutes 2017 Supplement, section 245.4889, subdivision 1, is

466.4

amended to read:

466.5

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to

466.6

make grants from available appropriations to assist:

466.7

(1) counties;

466.8

(2) Indian tribes;

466.9

(3) children's collaboratives under section 124D.23 or 245.493; or

466.10

(4) mental health service providers.

466.11

(b) The following services are eligible for grants under this section:

466.12

(1) services to children with emotional disturbances as defined in section 245.4871,

466.13

subdivision 15, and their families;

466.14

(2) transition services under section 245.4875, subdivision 8, for young adults under

466.15

age 21 and their families;

466.16

(3) respite care services for children with severe emotional disturbances who are at risk

466.17

of out-of-home placement;

466.18

(4) children's mental health crisis services;

466.19

(5) mental health services for people from cultural and ethnic minorities;

466.20

(6) children's mental health screening and follow-up diagnostic assessment and treatment;

466.21

(7) services to promote and develop the capacity of providers to use evidence-based

466.22

practices in providing children's mental health services;

466.23

(8) school-linked mental health services, ~~including transportation for children receiving~~

466.24

~~school-linked mental health services when school is not in session;~~

466.25

(9) building evidence-based mental health intervention capacity for children birth to age

466.26

five;

466.27

(10) suicide prevention and counseling services that use text messaging statewide;

466.28

(11) mental health first aid training;

467.1 (12) training for parents, collaborative partners, and mental health providers on the  
467.2 impact of adverse childhood experiences and trauma and development of an interactive  
467.3 Web site to share information and strategies to promote resilience and prevent trauma;

467.4 (13) transition age services to develop or expand mental health treatment and supports  
467.5 for adolescents and young adults 26 years of age or younger;

467.6 (14) early childhood mental health consultation;

467.7 (15) evidence-based interventions for youth at risk of developing or experiencing a first  
467.8 episode of psychosis, and a public awareness campaign on the signs and symptoms of  
467.9 psychosis;

467.10 (16) psychiatric consultation for primary care practitioners; and

467.11 (17) providers to begin operations and meet program requirements when establishing a  
467.12 new children's mental health program. These may be start-up grants.

467.13 (c) Services under paragraph (b) must be designed to help each child to function and  
467.14 remain with the child's family in the community and delivered consistent with the child's  
467.15 treatment plan. Transition services to eligible young adults under this paragraph must be  
467.16 designed to foster independent living in the community.

467.17 (d) As a condition of receiving grant funds, a grantee must obtain all available third-party  
467.18 reimbursement sources, if applicable.

467.19 Sec. 2. Minnesota Statutes 2016, section 245.4889, is amended by adding a subdivision  
467.20 to read:

467.21 Subd. 1a. **School-linked mental health services grants.** (a) An eligible applicant for  
467.22 school-linked mental health services grants under subdivision 1, paragraph (b), clause (8),  
467.23 is an entity that is:

467.24 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

467.25 (2) a community mental health center under section 256B.0625, subdivision 5;

467.26 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
467.27 organization operating under United States Code, title 25, section 5321;

467.28 (4) a provider of children's therapeutic services and supports as defined in section  
467.29 256B.0943; or

467.30 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
467.31 agency and employs at least two full-time equivalent mental health professionals as defined

468.1 in section 245.4871, subdivision 27, clauses (1) to (6), or two alcohol and drug counselors  
468.2 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical  
468.3 services to children and families.

468.4 (b) Allowable grant expenses include transportation for children receiving school-linked  
468.5 mental health services when school is not in session, and may be used to purchase equipment,  
468.6 connection charges, on-site coordination, set-up fees, and site fees in order to deliver  
468.7 school-linked mental health services defined in subdivision 1a, via telemedicine consistent  
468.8 with section 256B.0625, subdivision 3b.

468.9 **Sec. 3. [246.0415] PLACEMENT OF CLIENTS WHO EXHIBIT ASSAULTIVE OR**  
468.10 **VIOLENT BEHAVIOR.**

468.11 Clients who exhibit assaultive or violent behavior, have severe behavior issues, or are  
468.12 involved with or are at risk of being involved with the criminal justice system must be placed  
468.13 in or moved to a setting that meets the client's needs and ensures the safety of the public.  
468.14 The commissioner shall balance the needs of the client to live in the most integrated setting  
468.15 with public safety. The commissioner shall provide an appropriate placement for clients  
468.16 who have a medium or high risk for committing violent acts, and clients must not be placed  
468.17 in a residential setting that jeopardizes the safety of others until the commissioner determines  
468.18 that the client is low risk for committing violent acts.

468.19 Sec. 4. Minnesota Statutes 2016, section 254B.02, subdivision 1, is amended to read:

468.20 Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency  
468.21 treatment appropriation shall be placed in a special revenue account. ~~The commissioner~~  
468.22 ~~shall annually transfer funds from the chemical dependency fund to pay for operation of~~  
468.23 ~~the drug and alcohol abuse normative evaluation system and to pay for all costs incurred~~  
468.24 ~~by adding two positions for licensing of chemical dependency treatment and rehabilitation~~  
468.25 ~~programs located in hospitals for which funds are not otherwise appropriated. The remainder~~  
468.26 ~~of the money in the special revenue account must be used according to the requirements in~~  
468.27 this chapter.

468.28 **EFFECTIVE DATE.** This section is effective July 1, 2018.

468.29 Sec. 5. Minnesota Statutes 2016, section 254B.06, subdivision 1, is amended to read:

468.30 Subdivision 1. **State collections.** The commissioner is responsible for all collections  
468.31 from persons determined to be partially responsible for the cost of care of an eligible person  
468.32 receiving services under Laws 1986, chapter 394, sections 8 to 20. The commissioner may

469.1 initiate, or request the attorney general to initiate, necessary civil action to recover the unpaid  
469.2 cost of care. The commissioner may collect all third-party payments for chemical dependency  
469.3 services provided under Laws 1986, chapter 394, sections 8 to 20, including private insurance  
469.4 and federal Medicaid and Medicare financial participation. ~~The commissioner shall deposit~~  
469.5 ~~in a dedicated account a percentage of collections to pay for the cost of operating the chemical~~  
469.6 ~~dependency consolidated treatment fund invoice processing and vendor payment system,~~  
469.7 ~~billing, and collections.~~ The remaining receipts must be deposited in the chemical dependency  
469.8 fund.

469.9 **EFFECTIVE DATE.** This section is effective July 1, 2018.

469.10 **Sec. 6. PERSON-CENTERED TELEPRESENCE PLATFORM EXPANSION WORK**  
469.11 **GROUP.**

469.12 Subdivision 1. **Membership.** (a) The commissioner of human services shall convene a  
469.13 work group for the purpose of exploring opportunities to collaborate and expand strategies  
469.14 for person-centered innovation using Internet telepresence in delivering health and human  
469.15 services, as well as related educational and correctional services. The commissioner, in  
469.16 consultation with the commissioner of health, shall appoint the following members:

469.17 (1) three members representing county services in the areas of human services, health,  
469.18 and corrections or law enforcement. These members must represent counties outside the  
469.19 metropolitan area defined in Minnesota Statutes, section 473.121;

469.20 (2) one member representing public health;

469.21 (3) one member recommended by the Minnesota American Indian Mental Health  
469.22 Advisory Council;

469.23 (4) one member recommended by the Minnesota Medical Association who is a primary  
469.24 care provider practicing in outstate Minnesota;

469.25 (5) one member recommended by NAMI of Minnesota;

469.26 (6) two members recommended by the Minnesota School Boards Association;

469.27 (7) one member recommended by the Minnesota Hospital Association representing rural  
469.28 hospital emergency departments;

469.29 (8) one member representing community mental health centers;

469.30 (9) one member representing adolescent treatment centers;

469.31 (10) one member representing child advocacy centers; and

470.1 (11) one member recommended by the chief justice of the Supreme Court representing  
470.2 the judicial system.

470.3 (b) In addition to the members identified in paragraph (a), the work group shall include:

470.4 (1) the commissioner of MN.IT services or a designee;

470.5 (2) the commissioner of corrections or a designee;

470.6 (3) the commissioner of health or a designee; and

470.7 (4) the commissioner of education or a designee.

470.8 Subd. 2. **First meeting; chair.** The commissioner shall serve as the chair, and make  
470.9 appointments and convene the first meeting of the work group by September 1, 2018.

470.10 Subd. 3. **Duties.** The work group shall:

470.11 (1) explore opportunities for improving behavioral health and other health care service  
470.12 delivery through the use of a common interoperable person-centered telepresence platform  
470.13 that provides connectivity and technical support to potential users;

470.14 (2) review and coordinate state and local innovation initiatives and investments designed  
470.15 to leverage telepresence connectivity and collaboration;

470.16 (3) identify standards and capabilities for a single interoperable telepresence platform;

470.17 (4) identify barriers to providing a telepresence technology, including limited availability  
470.18 of bandwidth, limitations in providing certain services via telepresence, and broadband  
470.19 infrastructure needs;

470.20 (5) identify and make recommendations for governance to assure person-centered  
470.21 responsiveness;

470.22 (6) identify how the business model itself can be innovated to provide an incentive for  
470.23 ongoing innovation in Minnesota's health and human service ecosystems;

470.24 (7) evaluate and make recommendations for a potential vendor that could provide a  
470.25 single telepresence platform in terms of delivering the identified standards and capabilities;

470.26 (8) identify sustainable financial support for a single telepresence platform, including  
470.27 infrastructure costs and start-up costs for potential users; and

470.28 (9) identify the benefits to the state, political subdivisions, and tribal governments, and  
470.29 the constituents they serve in using a common person-centered telepresence platform for  
470.30 delivering behavioral health services.

471.1 Subd. 4. **Report.** The commissioner shall report to the chairs and ranking minority  
 471.2 members of the committees in the senate and the house of representatives with primary  
 471.3 jurisdiction over health and state information technology by January 15, 2019, with  
 471.4 recommendations related to expanding the state's telepresence platform and any legislation  
 471.5 required to implement the recommendations.

471.6 Subd. 5. **Expiration.** The work group expires January 16, 2019.

## 471.7 **ARTICLE 30**

### 471.8 **COMMUNITY SUPPORTS AND CONTINUING CARE**

471.9 Section 1. Minnesota Statutes 2017 Supplement, section 245A.03, subdivision 7, is  
 471.10 amended to read:

471.11 **Subd. 7. Licensing moratorium.** (a) The commissioner shall not issue an initial license  
 471.12 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult  
 471.13 foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter  
 471.14 for a physical location that will not be the primary residence of the license holder for the  
 471.15 entire period of licensure. If a license is issued during this moratorium, and the license  
 471.16 holder changes the license holder's primary residence away from the physical location of  
 471.17 the foster care license, the commissioner shall revoke the license according to section  
 471.18 245A.07. The commissioner shall not issue an initial license for a community residential  
 471.19 setting licensed under chapter 245D. When approving an exception under this paragraph,  
 471.20 the commissioner shall consider the resource need determination process in paragraph (h),  
 471.21 the availability of foster care licensed beds in the geographic area in which the licensee  
 471.22 seeks to operate, the results of a person's choices during their annual assessment and service  
 471.23 plan review, and the recommendation of the local county board. The determination by the  
 471.24 commissioner is final and not subject to appeal. Exceptions to the moratorium include:

471.25 (1) foster care settings that are required to be registered under chapter 144D;

471.26 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or  
 471.27 community residential setting licenses replacing adult foster care licenses in existence on  
 471.28 December 31, 2013, and determined to be needed by the commissioner under paragraph  
 471.29 (b);

471.30 (3) new foster care licenses or community residential setting licenses determined to be  
 471.31 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,  
 471.32 or regional treatment center; restructuring of state-operated services that limits the capacity  
 471.33 of state-operated facilities; or allowing movement to the community for people who no

472.1 longer require the level of care provided in state-operated facilities as provided under section  
472.2 256B.092, subdivision 13, or 256B.49, subdivision 24;

472.3 (4) new foster care licenses or community residential setting licenses determined to be  
472.4 needed by the commissioner under paragraph (b) for persons requiring hospital level care;

472.5 (5) new foster care licenses or community residential setting licenses determined to be  
472.6 needed by the commissioner for the transition of people from personal care assistance to  
472.7 the home and community-based services;

472.8 (6) new foster care licenses or community residential setting licenses determined to be  
472.9 needed by the commissioner for the transition of people from the residential care waiver  
472.10 services to foster care services. This exception applies only when:

472.11 (i) the person's case manager provided the person with information about the choice of  
472.12 service, service provider, and location of service to help the person make an informed choice;  
472.13 and

472.14 (ii) the person's foster care services are less than or equal to the cost of the person's  
472.15 services delivered in the residential care waiver service setting as determined by the lead  
472.16 agency; ~~or~~

472.17 (7) new foster care licenses or community residential setting licenses for people receiving  
472.18 services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and  
472.19 for which a license is required. This exception does not apply to people living in their own  
472.20 home. For purposes of this clause, there is a presumption that a foster care or community  
472.21 residential setting license is required for services provided to three or more people in a  
472.22 dwelling unit when the setting is controlled by the provider. A license holder subject to this  
472.23 exception may rebut the presumption that a license is required by seeking a reconsideration  
472.24 of the commissioner's determination. The commissioner's disposition of a request for  
472.25 reconsideration is final and not subject to appeal under chapter 14. The exception is available  
472.26 until June 30, ~~2018~~ 2019. This exception is available when:

472.27 (i) the person's case manager provided the person with information about the choice of  
472.28 service, service provider, and location of service, including in the person's home, to help  
472.29 the person make an informed choice; and

472.30 (ii) the person's services provided in the licensed foster care or community residential  
472.31 setting are less than or equal to the cost of the person's services delivered in the unlicensed  
472.32 setting as determined by the lead agency; or

473.1 (8) a vacancy in a setting granted an exception under clause (7), created between January  
473.2 1, 2017, and the date of the exception request, by the departure of a person receiving services  
473.3 under chapter 245D and residing in the unlicensed setting between January 1, 2017, and  
473.4 May 1, 2017. This exception is available when the lead agency provides documentation to  
473.5 the commissioner on the eligibility criteria being met. This exception is available until June  
473.6 30, 2019.

473.7 (b) The commissioner shall determine the need for newly licensed foster care homes or  
473.8 community residential settings as defined under this subdivision. As part of the determination,  
473.9 the commissioner shall consider the availability of foster care capacity in the area in which  
473.10 the licensee seeks to operate, and the recommendation of the local county board. The  
473.11 determination by the commissioner must be final. A determination of need is not required  
473.12 for a change in ownership at the same address.

473.13 (c) When an adult resident served by the program moves out of a foster home that is not  
473.14 the primary residence of the license holder according to section 256B.49, subdivision 15,  
473.15 paragraph (f), or the adult community residential setting, the county shall immediately  
473.16 inform the Department of Human Services Licensing Division. The department may decrease  
473.17 the statewide licensed capacity for adult foster care settings.

473.18 (d) Residential settings that would otherwise be subject to the decreased license capacity  
473.19 established in paragraph (c) shall be exempt if the license holder's beds are occupied by  
473.20 residents whose primary diagnosis is mental illness and the license holder is certified under  
473.21 the requirements in subdivision 6a or section 245D.33.

473.22 (e) A resource need determination process, managed at the state level, using the available  
473.23 reports required by section 144A.351, and other data and information shall be used to  
473.24 determine where the reduced capacity determined under section 256B.493 will be  
473.25 implemented. The commissioner shall consult with the stakeholders described in section  
473.26 144A.351, and employ a variety of methods to improve the state's capacity to meet the  
473.27 informed decisions of those people who want to move out of corporate foster care or  
473.28 community residential settings, long-term service needs within budgetary limits, including  
473.29 seeking proposals from service providers or lead agencies to change service type, capacity,  
473.30 or location to improve services, increase the independence of residents, and better meet  
473.31 needs identified by the long-term services and supports reports and statewide data and  
473.32 information.

473.33 (f) At the time of application and reapplication for licensure, the applicant and the license  
473.34 holder that are subject to the moratorium or an exclusion established in paragraph (a) are

474.1 required to inform the commissioner whether the physical location where the foster care  
474.2 will be provided is or will be the primary residence of the license holder for the entire period  
474.3 of licensure. If the primary residence of the applicant or license holder changes, the applicant  
474.4 or license holder must notify the commissioner immediately. The commissioner shall print  
474.5 on the foster care license certificate whether or not the physical location is the primary  
474.6 residence of the license holder.

474.7 (g) License holders of foster care homes identified under paragraph (f) that are not the  
474.8 primary residence of the license holder and that also provide services in the foster care home  
474.9 that are covered by a federally approved home and community-based services waiver, as  
474.10 authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services  
474.11 licensing division that the license holder provides or intends to provide these waiver-funded  
474.12 services.

474.13 (h) The commissioner may adjust capacity to address needs identified in section  
474.14 144A.351. Under this authority, the commissioner may approve new licensed settings or  
474.15 delicense existing settings. Delicensing of settings will be accomplished through a process  
474.16 identified in section 256B.493. Annually, by August 1, the commissioner shall provide  
474.17 information and data on capacity of licensed long-term services and supports, actions taken  
474.18 under the subdivision to manage statewide long-term services and supports resources, and  
474.19 any recommendations for change to the legislative committees with jurisdiction over the  
474.20 health and human services budget.

474.21 (i) The commissioner must notify a license holder when its corporate foster care or  
474.22 community residential setting licensed beds are reduced under this section. The notice of  
474.23 reduction of licensed beds must be in writing and delivered to the license holder by certified  
474.24 mail or personal service. The notice must state why the licensed beds are reduced and must  
474.25 inform the license holder of its right to request reconsideration by the commissioner. The  
474.26 license holder's request for reconsideration must be in writing. If mailed, the request for  
474.27 reconsideration must be postmarked and sent to the commissioner within 20 calendar days  
474.28 after the license holder's receipt of the notice of reduction of licensed beds. If a request for  
474.29 reconsideration is made by personal service, it must be received by the commissioner within  
474.30 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

474.31 (j) The commissioner shall not issue an initial license for children's residential treatment  
474.32 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter  
474.33 for a program that Centers for Medicare and Medicaid Services would consider an institution  
474.34 for mental diseases. Facilities that serve only private pay clients are exempt from the  
474.35 moratorium described in this paragraph. The commissioner has the authority to manage

475.1 existing statewide capacity for children's residential treatment services subject to the  
475.2 moratorium under this paragraph and may issue an initial license for such facilities if the  
475.3 initial license would not increase the statewide capacity for children's residential treatment  
475.4 services subject to the moratorium under this paragraph.

475.5 **EFFECTIVE DATE.** This section is effective June 29, 2018.

475.6 Sec. 2. Minnesota Statutes 2017 Supplement, section 245A.11, subdivision 2a, is amended  
475.7 to read:

475.8 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)  
475.9 The commissioner shall issue adult foster care and community residential setting licenses  
475.10 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,  
475.11 except that the commissioner may issue a license with a capacity of five beds, including  
475.12 roomers and boarders, according to paragraphs (b) to (g).

475.13 (b) The license holder may have a maximum license capacity of five if all persons in  
475.14 care are age 55 or over and do not have a serious and persistent mental illness or a  
475.15 developmental disability.

475.16 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a  
475.17 licensed capacity of up to five persons to admit an individual under the age of 55 if the  
475.18 variance complies with section 245A.04, subdivision 9, and approval of the variance is  
475.19 recommended by the county in which the licensed facility is located.

475.20 (d) The commissioner may grant variances to paragraph (a) to allow the use of an  
475.21 additional bed, up to five, for emergency crisis services for a person with serious and  
475.22 persistent mental illness or a developmental disability, regardless of age, if the variance  
475.23 complies with section 245A.04, subdivision 9, and approval of the variance is recommended  
475.24 by the county in which the licensed facility is located.

475.25 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an  
475.26 additional bed, up to five, for respite services, as defined in section 245A.02, for persons  
475.27 with disabilities, regardless of age, if the variance complies with sections 245A.03,  
475.28 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended  
475.29 by the county in which the licensed facility is located. Respite care may be provided under  
475.30 the following conditions:

475.31 (1) staffing ratios cannot be reduced below the approved level for the individuals being  
475.32 served in the home on a permanent basis;

476.1 (2) no more than two different individuals can be accepted for respite services in any  
476.2 calendar month and the total respite days may not exceed 120 days per program in any  
476.3 calendar year;

476.4 (3) the person receiving respite services must have his or her own bedroom, which could  
476.5 be used for alternative purposes when not used as a respite bedroom, and cannot be the  
476.6 room of another person who lives in the facility; and

476.7 (4) individuals living in the facility must be notified when the variance is approved. The  
476.8 provider must give 60 days' notice in writing to the residents and their legal representatives  
476.9 prior to accepting the first respite placement. Notice must be given to residents at least two  
476.10 days prior to service initiation, or as soon as the license holder is able if they receive notice  
476.11 of the need for respite less than two days prior to initiation, each time a respite client will  
476.12 be served, unless the requirement for this notice is waived by the resident or legal guardian.

476.13 (f) The commissioner may issue an adult foster care or community residential setting  
476.14 license with a capacity of five adults if the fifth bed does not increase the overall statewide  
476.15 capacity of licensed adult foster care or community residential setting beds in homes that  
476.16 are not the primary residence of the license holder, as identified in a plan submitted to the  
476.17 commissioner by the county, when the capacity is recommended by the county licensing  
476.18 agency of the county in which the facility is located and if the recommendation verifies  
476.19 that:

476.20 (1) the facility meets the physical environment requirements in the adult foster care  
476.21 licensing rule;

476.22 (2) the five-bed living arrangement is specified for each resident in the resident's:

476.23 (i) individualized plan of care;

476.24 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

476.25 (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,  
476.26 subpart 19, if required;

476.27 (3) the license holder obtains written and signed informed consent from each resident  
476.28 or resident's legal representative documenting the resident's informed choice to remain  
476.29 living in the home and that the resident's refusal to consent would not have resulted in  
476.30 service termination; and

476.31 (4) the facility was licensed for adult foster care before ~~March 1, 2014~~ June 30, 2016.

477.1 (g) The commissioner shall not issue a new adult foster care license under paragraph (f)  
477.2 after June 30, ~~2019~~ 2021. The commissioner shall allow a facility with an adult foster care  
477.3 license issued under paragraph (f) before June 30, ~~2019~~ 2021, to continue with a capacity  
477.4 of five adults if the license holder continues to comply with the requirements in paragraph  
477.5 (f).

477.6 Sec. 3. Minnesota Statutes 2017 Supplement, section 245D.03, subdivision 1, is amended  
477.7 to read:

477.8 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home  
477.9 and community-based services to persons with disabilities and persons age 65 and older  
477.10 pursuant to this chapter. The licensing standards in this chapter govern the provision of  
477.11 basic support services and intensive support services.

477.12 (b) Basic support services provide the level of assistance, supervision, and care that is  
477.13 necessary to ensure the health and welfare of the person and do not include services that  
477.14 are specifically directed toward the training, treatment, habilitation, or rehabilitation of the  
477.15 person. Basic support services include:

477.16 (1) in-home and out-of-home respite care services as defined in section 245A.02,  
477.17 subdivision 15, and under the brain injury, community alternative care, community access  
477.18 for disability inclusion, developmental ~~disability~~ disabilities, and elderly waiver plans,  
477.19 excluding out-of-home respite care provided to children in a family child foster care home  
477.20 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care  
477.21 license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7,  
477.22 and 8, or successor provisions; and section 245D.061 or successor provisions, which must  
477.23 be stipulated in the statement of intended use required under Minnesota Rules, part  
477.24 2960.3000, subpart 4;

477.25 (2) adult companion services as defined under the brain injury, community access for  
477.26 disability inclusion, community alternative care, and elderly waiver plans, excluding adult  
477.27 companion services provided under the Corporation for National and Community Services  
477.28 Senior Companion Program established under the Domestic Volunteer Service Act of 1973,  
477.29 Public Law 98-288;

477.30 (3) personal support as defined under the developmental ~~disability~~ disabilities waiver  
477.31 plan;

478.1 (4) 24-hour emergency assistance, personal emergency response as defined under the  
478.2 community access for disability inclusion and developmental ~~disability~~ disabilities waiver  
478.3 plans;

478.4 (5) night supervision services as defined under the brain injury, community access for  
478.5 disability inclusion, community alternative care, and developmental disabilities waiver ~~plan~~  
478.6 plans;

478.7 (6) homemaker services as defined under the community access for disability inclusion,  
478.8 brain injury, community alternative care, developmental ~~disability~~ disabilities, and elderly  
478.9 waiver plans, excluding providers licensed by the Department of Health under chapter 144A  
478.10 and those providers providing cleaning services only; and

478.11 (7) individual community living support under section 256B.0915, subdivision 3j.

478.12 (c) Intensive support services provide assistance, supervision, and care that is necessary  
478.13 to ensure the health and welfare of the person and services specifically directed toward the  
478.14 training, habilitation, or rehabilitation of the person. Intensive support services include:

478.15 (1) intervention services, including:

478.16 (i) ~~behavioral~~ positive support services as defined under the brain injury ~~and~~ community  
478.17 access for disability inclusion, community alternative care, and developmental disabilities  
478.18 waiver plans;

478.19 (ii) in-home or out-of-home crisis respite services as defined under the brain injury,  
478.20 community access for disability inclusion, community alternative care, and developmental  
478.21 ~~disability~~ disabilities waiver ~~plan~~ plans; and

478.22 (iii) specialist services as defined under the current brain injury, community access for  
478.23 disability inclusion, community alternative care, and developmental ~~disability~~ disabilities  
478.24 waiver ~~plan~~ plans;

478.25 (2) in-home support services, including:

478.26 (i) in-home family support and supported living services as defined under the  
478.27 developmental ~~disability~~ disabilities waiver plan;

478.28 (ii) independent living services training as defined under the brain injury and community  
478.29 access for disability inclusion waiver plans;

478.30 (iii) semi-independent living services; and

478.31 (iv) individualized home supports services as defined under the brain injury, community  
478.32 alternative care, and community access for disability inclusion waiver plans;

479.1 (3) residential supports and services, including:

479.2 (i) supported living services as defined under the developmental ~~disability~~ disabilities  
479.3 waiver plan provided in a family or corporate child foster care residence, a family adult  
479.4 foster care residence, a community residential setting, or a supervised living facility;

479.5 (ii) foster care services as defined in the brain injury, community alternative care, and  
479.6 community access for disability inclusion waiver plans provided in a family or corporate  
479.7 child foster care residence, a family adult foster care residence, or a community residential  
479.8 setting; and

479.9 (iii) residential services provided to more than four persons with developmental  
479.10 disabilities in a supervised living facility, including ICFs/DD;

479.11 (4) day services, including:

479.12 (i) structured day services as defined under the brain injury waiver plan;

479.13 (ii) day training and habilitation services under sections 252.41 to 252.46, and as defined  
479.14 under the developmental ~~disability~~ disabilities waiver plan; and

479.15 (iii) prevocational services as defined under the brain injury and community access for  
479.16 disability inclusion waiver plans; and

479.17 (5) employment exploration services as defined under the brain injury, community  
479.18 alternative care, community access for disability inclusion, and developmental ~~disability~~  
479.19 disabilities waiver plans;

479.20 (6) employment development services as defined under the brain injury, community  
479.21 alternative care, community access for disability inclusion, and developmental ~~disability~~  
479.22 disabilities waiver plans; and

479.23 (7) employment support services as defined under the brain injury, community alternative  
479.24 care, community access for disability inclusion, and developmental ~~disability~~ disabilities  
479.25 waiver plans.

479.26 Sec. 4. Minnesota Statutes 2016, section 245D.071, subdivision 5, is amended to read:

479.27 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the  
479.28 person or the person's legal representative and case manager an opportunity to participate  
479.29 in the ongoing review and development of the service plan and the methods used to support  
479.30 the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per  
479.31 year, or within 30 days of a written request by the person, the person's legal representative,  
479.32 or the case manager, the license holder, in coordination with the person's support team or

480.1 expanded support team, must meet with the person, the person's legal representative, and  
 480.2 the case manager, and participate in service plan review meetings following stated timelines  
 480.3 established in the person's coordinated service and support plan or coordinated service and  
 480.4 support plan addendum ~~or within 30 days of a written request by the person, the person's~~  
 480.5 ~~legal representative, or the case manager, at a minimum of once per year.~~ The purpose of  
 480.6 the service plan review is to determine whether changes are needed to the service plan based  
 480.7 on the assessment information, the license holder's evaluation of progress towards  
 480.8 accomplishing outcomes, or other information provided by the support team or expanded  
 480.9 support team.

480.10 (b) At least once per year, the license holder, in coordination with the person's support  
 480.11 team or expanded support team, must meet with the person, the person's legal representative,  
 480.12 and the case manager to discuss how technology might be used to meet the person's desired  
 480.13 outcomes. The coordinated service and support plan or support plan addendum must include  
 480.14 a summary of this discussion. The summary must include a statement regarding any decision  
 480.15 made related to the use of technology and a description of any further research that must  
 480.16 be completed before a decision regarding the use of technology can be made. Nothing in  
 480.17 this paragraph requires the coordinated service and support plan to include the use of  
 480.18 technology for the provision of services.

480.19 ~~(b)~~ (c) The license holder must summarize the person's status and progress toward  
 480.20 achieving the identified outcomes and make recommendations and identify the rationale  
 480.21 for changing, continuing, or discontinuing implementation of supports and methods identified  
 480.22 in subdivision 4 in a report available at the time of the progress review meeting. The report  
 480.23 must be sent at least five working days prior to the progress review meeting if requested by  
 480.24 the team in the coordinated service and support plan or coordinated service and support  
 480.25 plan addendum.

480.26 ~~(c)~~ (d) The license holder must send the coordinated service and support plan addendum  
 480.27 to the person, the person's legal representative, and the case manager by mail within ten  
 480.28 working days of the progress review meeting. Within ten working days of the mailing of  
 480.29 the coordinated service and support plan addendum, the license holder must obtain dated  
 480.30 signatures from the person or the person's legal representative and the case manager to  
 480.31 document approval of any changes to the coordinated service and support plan addendum.

480.32 ~~(d)~~ (e) If, within ten working days of submitting changes to the coordinated service and  
 480.33 support plan and coordinated service and support plan addendum, the person or the person's  
 480.34 legal representative or case manager has not signed and returned to the license holder the  
 480.35 coordinated service and support plan or coordinated service and support plan addendum or

481.1 has not proposed written modifications to the license holder's submission, the submission  
 481.2 is deemed approved and the coordinated service and support plan addendum becomes  
 481.3 effective and remains in effect until the legal representative or case manager submits a  
 481.4 written request to revise the coordinated service and support plan addendum.

481.5 Sec. 5. Minnesota Statutes 2016, section 245D.091, subdivision 2, is amended to read:

481.6 Subd. 2. ~~Behavior~~ **Positive support professional qualifications.** A ~~behavior~~ positive  
 481.7 support professional providing ~~behavioral~~ positive support services as identified in section  
 481.8 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
 481.9 following areas as required under the brain injury ~~and~~ community access for disability  
 481.10 inclusion, community alternative care, and developmental disabilities waiver plans or  
 481.11 successor plans:

481.12 (1) ethical considerations;

481.13 (2) functional assessment;

481.14 (3) functional analysis;

481.15 (4) measurement of behavior and interpretation of data;

481.16 (5) selecting intervention outcomes and strategies;

481.17 (6) behavior reduction and elimination strategies that promote least restrictive approved  
 481.18 alternatives;

481.19 (7) data collection;

481.20 (8) staff and caregiver training;

481.21 (9) support plan monitoring;

481.22 (10) co-occurring mental disorders or neurocognitive disorder;

481.23 (11) demonstrated expertise with populations being served; and

481.24 (12) must be a:

481.25 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board  
 481.26 of Psychology competencies in the above identified areas;

481.27 (ii) clinical social worker licensed as an independent clinical social worker under chapter  
 481.28 148D, or a person with a master's degree in social work from an accredited college or  
 481.29 university, with at least 4,000 hours of post-master's supervised experience in the delivery  
 481.30 of clinical services in the areas identified in clauses (1) to (11);

482.1 (iii) physician licensed under chapter 147 and certified by the American Board of  
 482.2 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies  
 482.3 in the areas identified in clauses (1) to (11);

482.4 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39  
 482.5 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical  
 482.6 services who has demonstrated competencies in the areas identified in clauses (1) to (11);

482.7 (v) person with a master's degree from an accredited college or university in one of the  
 482.8 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised  
 482.9 experience in the delivery of clinical services with demonstrated competencies in the areas  
 482.10 identified in clauses (1) to (11); ~~or~~

482.11 (vi) person with a master's degree or PhD in one of the behavioral sciences or related  
 482.12 fields with demonstrated expertise in positive support services; or

482.13 (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is  
 482.14 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and  
 482.15 mental health nursing by a national nurse certification organization, or who has a master's  
 482.16 degree in nursing or one of the behavioral sciences or related fields from an accredited  
 482.17 college or university or its equivalent, with at least 4,000 hours of post-master's supervised  
 482.18 experience in the delivery of clinical services.

482.19 Sec. 6. Minnesota Statutes 2016, section 245D.091, subdivision 3, is amended to read:

482.20 Subd. 3. ~~Behavior~~ **Positive support analyst qualifications.** (a) A ~~behavior~~ positive  
 482.21 support analyst providing ~~behavioral~~ positive support services as identified in section  
 482.22 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
 482.23 following areas as required under the brain injury ~~and~~ community access for disability  
 482.24 inclusion, community alternative care, and developmental disabilities waiver plans or  
 482.25 successor plans:

482.26 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services  
 482.27 discipline; ~~or~~

482.28 (2) meet the qualifications of a mental health practitioner as defined in section 245.462,  
 482.29 subdivision 17; or

482.30 (3) be a board certified behavior analyst or board certified assistant behavior analyst by  
 482.31 the Behavior Analyst Certification Board, Incorporated.

482.32 (b) In addition, a ~~behavior~~ positive support analyst must:

483.1 (1) have four years of supervised experience ~~working with individuals who exhibit~~  
 483.2 ~~challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~  
 483.3 conducting functional behavior assessments and designing, implementing, and evaluating  
 483.4 effectiveness of positive practices behavior support strategies for people who exhibit  
 483.5 challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

483.6 (2) have received ~~ten hours of instruction in functional assessment and functional analysis;~~  
 483.7 training prior to hire or within 90 calendar days of hire that includes:

483.8 (i) ten hours of instruction in functional assessment and functional analysis;

483.9 (ii) 20 hours of instruction in the understanding of the function of behavior;

483.10 (iii) ten hours of instruction on design of positive practices behavior support strategies;

483.11 (iv) 20 hours of instruction preparing written intervention strategies, designing data  
 483.12 collection protocols, training other staff to implement positive practice strategies,  
 483.13 summarizing and reporting program evaluation data, analyzing program evaluation data to  
 483.14 identify design flaws in behavioral interventions or failures in implementation fidelity, and  
 483.15 recommending enhancements based on evaluation data; and

483.16 (v) eight hours of instruction on principles of person-centered thinking;

483.17 ~~(3) have received 20 hours of instruction in the understanding of the function of behavior;~~

483.18 ~~(4) have received ten hours of instruction on design of positive practices behavior support~~  
 483.19 ~~strategies;~~

483.20 ~~(5) have received 20 hours of instruction on the use of behavior reduction approved~~  
 483.21 ~~strategies used only in combination with behavior positive practices strategies;~~

483.22 ~~(6)~~ (3) be determined by a behavior positive support professional to have the training  
 483.23 and prerequisite skills required to provide positive practice strategies as well as behavior  
 483.24 reduction approved and permitted intervention to the person who receives behavioral positive  
 483.25 support; and

483.26 ~~(7)~~ (4) be under the direct supervision of a behavior positive support professional.

483.27 (c) Meeting the qualifications for a positive support professional under subdivision 2  
 483.28 shall substitute for meeting the qualifications listed in paragraph (b).

483.29 Sec. 7. Minnesota Statutes 2016, section 245D.091, subdivision 4, is amended to read:

483.30 Subd. 4. **Behavior Positive support specialist qualifications.** (a) A behavior positive  
 483.31 support specialist providing behavioral positive support services as identified in section

484.1 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
 484.2 following areas as required under the brain injury ~~and~~ community access for disability  
 484.3 inclusion, community alternative care, and developmental disabilities waiver plans or  
 484.4 successor plans:

484.5 (1) have an associate's degree in a social services discipline; or

484.6 (2) have two years of supervised experience working with individuals who exhibit  
 484.7 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

484.8 (b) In addition, a behavior specialist must:

484.9 (1) have received training prior to hire or within 90 calendar days of hire that includes:

484.10 (i) a minimum of four hours of training in functional assessment;

484.11 ~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of  
 484.12 behavior;

484.13 ~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral  
 484.14 support strategies; and

484.15 (iv) eight hours of instruction on principles of person-centered thinking;

484.16 ~~(4)~~ (2) be determined by a ~~behavior~~ positive support professional to have the training  
 484.17 and prerequisite skills required to provide positive practices strategies as well as behavior  
 484.18 reduction approved intervention to the person who receives ~~behavioral~~ positive support;  
 484.19 and

484.20 ~~(5)~~ (3) be under the direct supervision of a ~~behavior~~ positive support professional.

484.21 (c) Meeting the qualifications for a positive support professional under subdivision 2  
 484.22 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

484.23 Sec. 8. Minnesota Statutes 2016, section 256B.0659, subdivision 3a, is amended to read:

484.24 Subd. 3a. **Assessment; defined.** (a) "Assessment" means a review and evaluation of a  
 484.25 recipient's need for personal care assistance services conducted in person. Assessments for  
 484.26 personal care assistance services shall be conducted by the county public health nurse or a  
 484.27 certified public health nurse under contract with the county except when a long-term care  
 484.28 consultation assessment is being conducted for the purposes of determining a person's  
 484.29 eligibility for home and community-based waiver services including personal care assistance  
 484.30 services according to section 256B.0911. During the transition to MnCHOICES, a certified  
 484.31 assessor may complete the assessment defined in this subdivision. An in-person assessment

485.1 must include: documentation of health status, determination of need, evaluation of service  
485.2 effectiveness, identification of appropriate services, service plan development or modification,  
485.3 coordination of services, referrals and follow-up to appropriate payers and community  
485.4 resources, completion of required reports, recommendation of service authorization, and  
485.5 consumer education. Once the need for personal care assistance services is determined under  
485.6 this section, the county public health nurse or certified public health nurse under contract  
485.7 with the county is responsible for communicating this recommendation to the commissioner  
485.8 and the recipient. An in-person assessment must occur at least annually or when there is a  
485.9 significant change in the recipient's condition or when there is a change in the need for  
485.10 personal care assistance services. A service update may substitute for the annual face-to-face  
485.11 assessment when there is not a significant change in recipient condition or a change in the  
485.12 need for personal care assistance service. A service update may be completed by telephone,  
485.13 used when there is no need for an increase in personal care assistance services, and used  
485.14 for two consecutive assessments if followed by a face-to-face assessment. A service update  
485.15 must be completed on a form approved by the commissioner. A service update or review  
485.16 for temporary increase includes a review of initial baseline data, evaluation of service  
485.17 effectiveness, redetermination of service need, modification of service plan and appropriate  
485.18 referrals, update of initial forms, obtaining service authorization, and on going consumer  
485.19 education. Assessments or reassessments must be completed on forms provided by the  
485.20 commissioner within 30 days of a request for home care services by a recipient or responsible  
485.21 party.

485.22 (b) This subdivision expires when notification is given by the commissioner as described  
485.23 in section 256B.0911, subdivision 3a.

485.24 Sec. 9. Minnesota Statutes 2016, section 256B.0659, subdivision 11, is amended to read:

485.25 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must  
485.26 meet the following requirements:

485.27 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years of  
485.28 age with these additional requirements:

485.29 (i) supervision by a qualified professional every 60 days; and

485.30 (ii) employment by only one personal care assistance provider agency responsible for  
485.31 compliance with current labor laws;

485.32 (2) be employed by a personal care assistance provider agency;

486.1 (3) enroll with the department as a personal care assistant after clearing a background  
486.2 study. Except as provided in subdivision 11a, before a personal care assistant provides  
486.3 services, the personal care assistance provider agency must initiate a background study on  
486.4 the personal care assistant under chapter 245C, and the personal care assistance provider  
486.5 agency must have received a notice from the commissioner that the personal care assistant  
486.6 is:

486.7 (i) not disqualified under section 245C.14; or

486.8 (ii) is disqualified, but the personal care assistant has received a set aside of the  
486.9 disqualification under section 245C.22;

486.10 (4) be able to effectively communicate with the recipient and personal care assistance  
486.11 provider agency;

486.12 (5) be able to provide covered personal care assistance services according to the recipient's  
486.13 personal care assistance care plan, respond appropriately to recipient needs, and report  
486.14 changes in the recipient's condition to the supervising qualified professional or physician;

486.15 (6) not be a consumer of personal care assistance services;

486.16 (7) maintain daily written records including, but not limited to, time sheets under  
486.17 subdivision 12;

486.18 (8) effective January 1, 2010, complete standardized training as determined by the  
486.19 commissioner before completing enrollment. The training must be available in languages  
486.20 other than English and to those who need accommodations due to disabilities. Personal care  
486.21 assistant training must include successful completion of the following training components:  
486.22 basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic  
486.23 roles and responsibilities of personal care assistants including information about assistance  
486.24 with lifting and transfers for recipients, emergency preparedness, orientation to positive  
486.25 behavioral practices, fraud issues, and completion of time sheets. Upon completion of the  
486.26 training components, the personal care assistant must demonstrate the competency to provide  
486.27 assistance to recipients;

486.28 (9) complete training and orientation on the needs of the recipient; and

486.29 (10) be limited to providing and being paid for up to 275 hours per month of personal  
486.30 care assistance services regardless of the number of recipients being served or the number  
486.31 of personal care assistance provider agencies enrolled with. The number of hours worked  
486.32 per day shall not be disallowed by the department unless in violation of the law.

487.1 (b) A legal guardian may be a personal care assistant if the guardian is not being paid  
487.2 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

487.3 (c) Persons who do not qualify as a personal care assistant include parents, stepparents,  
487.4 and legal guardians of minors; spouses; paid legal guardians of adults; family foster care  
487.5 providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of  
487.6 a residential setting.

487.7 (d) Personal care services qualify for the enhanced rate described in subdivision 17a if  
487.8 the personal care assistant providing the services:

487.9 (1) provides services, according to the care plan in subdivision 7, to a recipient who  
487.10 qualifies for 12 or more hours per day of PCA services; and

487.11 (2) satisfies the current requirements of Medicare for training and competency or  
487.12 competency evaluation of home health aides or nursing assistants, as provided in the Code  
487.13 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state approved  
487.14 training or competency requirements.

487.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

487.16 Sec. 10. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision  
487.17 to read:

487.18 Subd. 17a. **Enhanced rate.** An enhanced rate of 105 percent of the rate paid for PCA  
487.19 services shall be paid for services provided to persons who qualify for 12 or more hours of  
487.20 PCA service per day when provided by a PCA who meets the requirements of subdivision  
487.21 11, paragraph (d). The enhanced rate for PCA services includes, and is not in addition to,  
487.22 any rate adjustments implemented by the commissioner on July 1, 2018, to comply with  
487.23 the terms of a collective bargaining agreement between the state of Minnesota and an  
487.24 exclusive representative of individual providers under section 179A.54 that provides for  
487.25 wage increases for individual providers who serve participants assessed to need 12 or more  
487.26 hours of PCA services per day.

487.27 **EFFECTIVE DATE.** This section is effective July 1, 2018.

487.28 Sec. 11. Minnesota Statutes 2016, section 256B.0659, subdivision 21, is amended to read:

487.29 **Subd. 21. Requirements for provider enrollment of personal care assistance provider**  
487.30 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of  
487.31 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in

488.1 a format determined by the commissioner, information and documentation that includes,  
488.2 but is not limited to, the following:

488.3 (1) the personal care assistance provider agency's current contact information including  
488.4 address, telephone number, and e-mail address;

488.5 (2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid  
488.6 revenue in the previous calendar year is up to and including \$300,000, the provider agency  
488.7 must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is  
488.8 over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety  
488.9 bond must be in a form approved by the commissioner, must be renewed annually, and must  
488.10 allow for recovery of costs and fees in pursuing a claim on the bond;

488.11 (3) proof of fidelity bond coverage in the amount of \$20,000;

488.12 (4) proof of workers' compensation insurance coverage;

488.13 (5) proof of liability insurance;

488.14 (6) a description of the personal care assistance provider agency's organization identifying  
488.15 the names of all owners, managing employees, staff, board of directors, and the affiliations  
488.16 of the directors, owners, or staff to other service providers;

488.17 (7) a copy of the personal care assistance provider agency's written policies and  
488.18 procedures including: hiring of employees; training requirements; service delivery; and  
488.19 employee and consumer safety including process for notification and resolution of consumer  
488.20 grievances, identification and prevention of communicable diseases, and employee  
488.21 misconduct;

488.22 (8) copies of all other forms the personal care assistance provider agency uses in the  
488.23 course of daily business including, but not limited to:

488.24 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet  
488.25 varies from the standard time sheet for personal care assistance services approved by the  
488.26 commissioner, and a letter requesting approval of the personal care assistance provider  
488.27 agency's nonstandard time sheet;

488.28 (ii) the personal care assistance provider agency's template for the personal care assistance  
488.29 care plan; and

488.30 (iii) the personal care assistance provider agency's template for the written agreement  
488.31 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

489.1 (9) a list of all training and classes that the personal care assistance provider agency  
489.2 requires of its staff providing personal care assistance services;

489.3 (10) documentation that the personal care assistance provider agency and staff have  
489.4 successfully completed all the training required by this section, including the requirements  
489.5 under subdivision 11, paragraph (d), if enhanced PCA services are provided and submitted  
489.6 for an enhanced rate under subdivision 17a;

489.7 (11) documentation of the agency's marketing practices;

489.8 (12) disclosure of ownership, leasing, or management of all residential properties that  
489.9 is used or could be used for providing home care services;

489.10 (13) documentation that the agency will use the following percentages of revenue  
489.11 generated from the medical assistance rate paid for personal care assistance services for  
489.12 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal  
489.13 care assistance choice option and 72.5 percent of revenue from other personal care assistance  
489.14 providers. The revenue generated by the qualified professional and the reasonable costs  
489.15 associated with the qualified professional shall not be used in making this calculation; and

489.16 (14) effective May 15, 2010, documentation that the agency does not burden recipients'  
489.17 free exercise of their right to choose service providers by requiring personal care assistants  
489.18 to sign an agreement not to work with any particular personal care assistance recipient or  
489.19 for another personal care assistance provider agency after leaving the agency and that the  
489.20 agency is not taking action on any such agreements or requirements regardless of the date  
489.21 signed.

489.22 (b) Personal care assistance provider agencies shall provide the information specified  
489.23 in paragraph (a) to the commissioner at the time the personal care assistance provider agency  
489.24 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect  
489.25 the information specified in paragraph (a) from all personal care assistance providers  
489.26 beginning July 1, 2009.

489.27 (c) All personal care assistance provider agencies shall require all employees in  
489.28 management and supervisory positions and owners of the agency who are active in the  
489.29 day-to-day management and operations of the agency to complete mandatory training as  
489.30 determined by the commissioner before enrollment of the agency as a provider. Employees  
489.31 in management and supervisory positions and owners who are active in the day-to-day  
489.32 operations of an agency who have completed the required training as an employee with a  
489.33 personal care assistance provider agency do not need to repeat the required training if they  
489.34 are hired by another agency, if they have completed the training within the past three years.

490.1 By September 1, 2010, the required training must be available with meaningful access  
490.2 according to title VI of the Civil Rights Act and federal regulations adopted under that law  
490.3 or any guidance from the United States Health and Human Services Department. The  
490.4 required training must be available online or by electronic remote connection. The required  
490.5 training must provide for competency testing. Personal care assistance provider agency  
490.6 billing staff shall complete training about personal care assistance program financial  
490.7 management. This training is effective July 1, 2009. Any personal care assistance provider  
490.8 agency enrolled before that date shall, if it has not already, complete the provider training  
490.9 within 18 months of July 1, 2009. Any new owners or employees in management and  
490.10 supervisory positions involved in the day-to-day operations are required to complete  
490.11 mandatory training as a requisite of working for the agency. Personal care assistance provider  
490.12 agencies certified for participation in Medicare as home health agencies are exempt from  
490.13 the training required in this subdivision. When available, Medicare-certified home health  
490.14 agency owners, supervisors, or managers must successfully complete the competency test.

490.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

490.16 Sec. 12. Minnesota Statutes 2016, section 256B.0659, subdivision 24, is amended to read:

490.17 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care  
490.18 assistance provider agency shall:

490.19 (1) enroll as a Medicaid provider meeting all provider standards, including completion  
490.20 of the required provider training;

490.21 (2) comply with general medical assistance coverage requirements;

490.22 (3) demonstrate compliance with law and policies of the personal care assistance program  
490.23 to be determined by the commissioner;

490.24 (4) comply with background study requirements;

490.25 (5) verify and keep records of hours worked by the personal care assistant and qualified  
490.26 professional;

490.27 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,  
490.28 or other electronic means to potential recipients, guardians, or family members;

490.29 (7) pay the personal care assistant and qualified professional based on actual hours of  
490.30 services provided;

490.31 (8) withhold and pay all applicable federal and state taxes;

491.1 (9) ~~effective January 1, 2010~~, document that the agency uses a minimum of 72.5 percent  
 491.2 of the revenue generated by the medical assistance rate for personal care assistance services  
 491.3 for employee personal care assistant wages and benefits. The revenue generated by the  
 491.4 qualified professional and the reasonable costs associated with the qualified professional  
 491.5 shall not be used in making this calculation;

491.6 (10) make the arrangements and pay unemployment insurance, taxes, workers'  
 491.7 compensation, liability insurance, and other benefits, if any;

491.8 (11) enter into a written agreement under subdivision 20 before services are provided;

491.9 (12) report suspected neglect and abuse to the common entry point according to section  
 491.10 256B.0651;

491.11 (13) provide the recipient with a copy of the home care bill of rights at start of service;

491.12 ~~and~~

491.13 (14) request reassessments at least 60 days prior to the end of the current authorization  
 491.14 for personal care assistance services, on forms provided by the commissioner; and

491.15 (15) document that the agency uses the additional revenue due to the enhanced rate under  
 491.16 subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements  
 491.17 under subdivision 11, paragraph (d).

491.18 **EFFECTIVE DATE.** This section is effective July 1, 2018.

491.19 Sec. 13. Minnesota Statutes 2016, section 256B.0659, subdivision 28, is amended to read:

491.20 Subd. 28. **Personal care assistance provider agency; required documentation.** (a)

491.21 Required documentation must be completed and kept in the personal care assistance provider  
 491.22 agency file or the recipient's home residence. The required documentation consists of:

491.23 (1) employee files, including:

491.24 (i) applications for employment;

491.25 (ii) background study requests and results;

491.26 (iii) orientation records about the agency policies;

491.27 (iv) trainings completed with demonstration of competence, including verification of  
 491.28 the completion of training required under subdivision 11, paragraph (d), for any billing of  
 491.29 the enhanced rate under subdivision 17a;

491.30 (v) supervisory visits;

- 492.1 (vi) evaluations of employment; and
- 492.2 (vii) signature on fraud statement;
- 492.3 (2) recipient files, including:
- 492.4 (i) demographics;
- 492.5 (ii) emergency contact information and emergency backup plan;
- 492.6 (iii) personal care assistance service plan;
- 492.7 (iv) personal care assistance care plan;
- 492.8 (v) month-to-month service use plan;
- 492.9 (vi) all communication records;
- 492.10 (vii) start of service information, including the written agreement with recipient; and
- 492.11 (viii) date the home care bill of rights was given to the recipient;
- 492.12 (3) agency policy manual, including:
- 492.13 (i) policies for employment and termination;
- 492.14 (ii) grievance policies with resolution of consumer grievances;
- 492.15 (iii) staff and consumer safety;
- 492.16 (iv) staff misconduct; and
- 492.17 (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and
- 492.18 resolution of consumer grievances;
- 492.19 (4) time sheets for each personal care assistant along with completed activity sheets for
- 492.20 each recipient served; and
- 492.21 (5) agency marketing and advertising materials and documentation of marketing activities
- 492.22 and costs.
- 492.23 (b) The commissioner may assess a fine of up to \$500 on provider agencies that do not
- 492.24 consistently comply with the requirements of this subdivision.

492.25 **EFFECTIVE DATE.** This section is effective July 1, 2018.

492.26 Sec. 14. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 1a, is

492.27 amended to read:

492.28 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

493.1 (a) Until additional requirements apply under paragraph (b), "long-term care consultation  
493.2 services" means:

493.3 (1) intake for and access to assistance in identifying services needed to maintain an  
493.4 individual in the most inclusive environment;

493.5 (2) providing recommendations for and referrals to cost-effective community services  
493.6 that are available to the individual;

493.7 (3) development of an individual's person-centered community support plan;

493.8 (4) providing information regarding eligibility for Minnesota health care programs;

493.9 (5) face-to-face long-term care consultation assessments, which may be completed in a  
493.10 hospital, nursing facility, intermediate care facility for persons with developmental disabilities  
493.11 (ICF/DDs), regional treatment centers, or the person's current or planned residence;

493.12 (6) determination of home and community-based waiver and other service eligibility as  
493.13 required under sections 256B.0913, 256B.0915, and 256B.49, including level of care  
493.14 determination for individuals who need an institutional level of care as determined under  
493.15 subdivision 4e, based on assessment and community support plan development, appropriate  
493.16 referrals to obtain necessary diagnostic information, and including an eligibility determination  
493.17 for consumer-directed community supports;

493.18 (7) providing recommendations for institutional placement when there are no  
493.19 cost-effective community services available;

493.20 (8) providing access to assistance to transition people back to community settings after  
493.21 institutional admission; and

493.22 (9) providing information about competitive employment, with or without supports, for  
493.23 school-age youth and working-age adults and referrals to the Disability Linkage Line and  
493.24 Disability Benefits 101 to ensure that an informed choice about competitive employment  
493.25 can be made. For the purposes of this subdivision, "competitive employment" means work  
493.26 in the competitive labor market that is performed on a full-time or part-time basis in an  
493.27 integrated setting, and for which an individual is compensated at or above the minimum  
493.28 wage, but not less than the customary wage and level of benefits paid by the employer for  
493.29 the same or similar work performed by individuals without disabilities.

493.30 (b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c,  
493.31 and 3a, "long-term care consultation services" also means:

493.32 (1) service eligibility determination for state plan ~~home care~~ services identified in:

- 494.1 (i) section 256B.0625, subdivisions 7, 19a; and 19c;
- 494.2 (ii) consumer support grants under section 256.476; or
- 494.3 (iii) section 256B.85;
- 494.4 (2) notwithstanding provisions in Minnesota Rules, parts 9525.0004 to 9525.0024,
- 494.5 determination of eligibility for case management services available under sections 256B.0621,
- 494.6 subdivision 2, paragraph clause (4), and 256B.0924 ~~and Minnesota Rules, part 9525.0016;~~
- 494.7 (3) determination of institutional level of care, home and community-based service
- 494.8 waiver, and other service eligibility as required under section 256B.092, ~~determination of~~
- 494.9 ~~eligibility for family support grants under section 252.32,~~ semi-independent living services
- 494.10 under section 252.275, and day training and habilitation services under section 256B.092;
- 494.11 ~~and~~
- 494.12 (4) obtaining necessary diagnostic information to determine eligibility under clauses (2)
- 494.13 ~~and (3); and~~
- 494.14 (5) notwithstanding Minnesota Rules, parts 9525.0004 to 9525.0024, initial eligibility
- 494.15 determination for case management services available under Minnesota Rules, part
- 494.16 9525.0016.
- 494.17 (c) "Long-term care options counseling" means the services provided by the linkage
- 494.18 lines as mandated by sections 256.01, subdivision 24, and 256.975, subdivision 7, and also
- 494.19 includes telephone assistance and follow up once a long-term care consultation assessment
- 494.20 has been completed.
- 494.21 (d) "Minnesota health care programs" means the medical assistance program under this
- 494.22 chapter and the alternative care program under section 256B.0913.
- 494.23 (e) "Lead agencies" means counties administering or tribes and health plans under
- 494.24 contract with the commissioner to administer long-term care consultation assessment and
- 494.25 support planning services.
- 494.26 (f) "Person-centered planning" is a process that includes the active participation of a
- 494.27 person in the planning of the person's services, including in making meaningful and informed
- 494.28 choices about the person's own goals, talents, and objectives, as well as making meaningful
- 494.29 and informed choices about the services the person receives. For the purposes of this section,
- 494.30 "informed choice" means a voluntary choice of services by a person from all available
- 494.31 service options based on accurate and complete information concerning all available service
- 494.32 options and concerning the person's own preferences, abilities, goals, and objectives. In

495.1 order for a person to make an informed choice, all available options must be developed and  
495.2 presented to the person to empower the person to make decisions.

495.3 Sec. 15. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3a, is  
495.4 amended to read:

495.5 Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services  
495.6 planning, or other assistance intended to support community-based living, including persons  
495.7 who need assessment in order to determine waiver or alternative care program eligibility,  
495.8 must be visited by a long-term care consultation team within 20 calendar days after the date  
495.9 on which an assessment was requested or recommended. Upon statewide implementation  
495.10 of subdivisions 2b, 2c, and 5, this requirement also applies to an assessment of a person  
495.11 requesting personal care assistance services ~~and home care nursing. The commissioner shall~~  
495.12 ~~provide at least a 90-day notice to lead agencies prior to the effective date of this requirement.~~  
495.13 Face-to-face assessments must be conducted according to paragraphs (b) to (i).

495.14 (b) Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified  
495.15 assessors to conduct the assessment. For a person with complex health care needs, a public  
495.16 health or registered nurse from the team must be consulted.

495.17 (c) The MnCHOICES assessment provided by the commissioner to lead agencies must  
495.18 be used to complete a comprehensive, conversation-based, person-centered assessment.  
495.19 The assessment must include the health, psychological, functional, environmental, and  
495.20 social needs of the individual necessary to develop a community support plan that meets  
495.21 the individual's needs and preferences.

495.22 (d) The assessment must be conducted in a face-to-face conversational interview with  
495.23 the person being assessed ~~and~~. The person's legal representative must provide input during  
495.24 the assessment process and may do so remotely if requested. At the request of the person,  
495.25 other individuals may participate in the assessment to provide information on the needs,  
495.26 strengths, and preferences of the person necessary to develop a community support plan  
495.27 that ensures the person's health and safety. Except for legal representatives or family members  
495.28 invited by the person, persons participating in the assessment may not be a provider of  
495.29 service or have any financial interest in the provision of services. For persons who are to  
495.30 be assessed for elderly waiver customized living or adult day services under section  
495.31 256B.0915, with the permission of the person being assessed or the person's designated or  
495.32 legal representative, the client's current or proposed provider of services may submit a copy  
495.33 of the provider's nursing assessment or written report outlining its recommendations regarding  
495.34 the client's care needs. The person conducting the assessment must notify the provider of

496.1 the date by which this information is to be submitted. This information shall be provided  
496.2 to the person conducting the assessment prior to the assessment. For a person who is to be  
496.3 assessed for waiver services under section 256B.092 or 256B.49, with the permission of  
496.4 the person being assessed or the person's designated legal representative, the person's current  
496.5 provider of services may submit a written report outlining recommendations regarding the  
496.6 person's care needs prepared by a direct service employee with at least 20 hours of service  
496.7 to that client. The person conducting the assessment or reassessment must notify the provider  
496.8 of the date by which this information is to be submitted. This information shall be provided  
496.9 to the person conducting the assessment and the person or the person's legal representative,  
496.10 and must be considered prior to the finalization of the assessment or reassessment.

496.11 (e) The person or the person's legal representative must be provided with a written  
496.12 community support plan within ~~40 calendar days of the assessment visit~~ the timelines  
496.13 established by the commissioner, regardless of whether the individual is eligible for  
496.14 Minnesota health care programs. The timeline for completing the community support plan  
496.15 and any required coordinated service and support plan must not exceed 56 calendar days  
496.16 from the assessment visit.

496.17 (f) For a person being assessed for elderly waiver services under section 256B.0915, a  
496.18 provider who submitted information under paragraph (d) shall receive the final written  
496.19 community support plan when available and the Residential Services Workbook.

496.20 (g) The written community support plan must include:

496.21 (1) a summary of assessed needs as defined in paragraphs (c) and (d);

496.22 (2) the individual's options and choices to meet identified needs, including all available  
496.23 options for case management services and providers, including service provided in a  
496.24 non-disability-specific setting;

496.25 (3) identification of health and safety risks and how those risks will be addressed,  
496.26 including personal risk management strategies;

496.27 (4) referral information; and

496.28 (5) informal caregiver supports, if applicable.

496.29 For a person determined eligible for state plan home care under subdivision 1a, paragraph  
496.30 (b), clause (1), the person or person's representative must also receive a copy of the home  
496.31 care service plan developed by the certified assessor.

496.32 (h) A person may request assistance in identifying community supports without  
496.33 participating in a complete assessment. Upon a request for assistance identifying community

497.1 support, the person must be transferred or referred to long-term care options counseling  
497.2 services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for  
497.3 telephone assistance and follow up.

497.4 (i) The person has the right to make the final decision between institutional placement  
497.5 and community placement after the recommendations have been provided, except as provided  
497.6 in section 256.975, subdivision 7a, paragraph (d).

497.7 (j) The lead agency must give the person receiving assessment or support planning, or  
497.8 the person's legal representative, materials, and forms supplied by the commissioner  
497.9 containing the following information:

497.10 (1) written recommendations for community-based services and consumer-directed  
497.11 options;

497.12 (2) documentation that the most cost-effective alternatives available were offered to the  
497.13 individual. For purposes of this clause, "cost-effective" means community services and  
497.14 living arrangements that cost the same as or less than institutional care. For an individual  
497.15 found to meet eligibility criteria for home and community-based service programs under  
497.16 section 256B.0915 or 256B.49, "cost-effectiveness" has the meaning found in the federally  
497.17 approved waiver plan for each program;

497.18 (3) the need for and purpose of preadmission screening conducted by long-term care  
497.19 options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects  
497.20 nursing facility placement. If the individual selects nursing facility placement, the lead  
497.21 agency shall forward information needed to complete the level of care determinations and  
497.22 screening for developmental disability and mental illness collected during the assessment  
497.23 to the long-term care options counselor using forms provided by the commissioner;

497.24 (4) the role of long-term care consultation assessment and support planning in eligibility  
497.25 determination for waiver and alternative care programs, and state plan home care, case  
497.26 management, and other services as defined in subdivision 1a, paragraphs (a), clause (6),  
497.27 and (b);

497.28 (5) information about Minnesota health care programs;

497.29 (6) the person's freedom to accept or reject the recommendations of the team;

497.30 (7) the person's right to confidentiality under the Minnesota Government Data Practices  
497.31 Act, chapter 13;

497.32 (8) the certified assessor's decision regarding the person's need for institutional level of  
497.33 care as determined under criteria established in subdivision 4e and the certified assessor's

498.1 decision regarding eligibility for all services and programs as defined in subdivision 1a,  
498.2 paragraphs (a), clause (6), and (b); and

498.3 (9) the person's right to appeal the certified assessor's decision regarding eligibility for  
498.4 all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and  
498.5 (8), and (b), and incorporating the decision regarding the need for institutional level of care  
498.6 or the lead agency's final decisions regarding public programs eligibility according to section  
498.7 256.045, subdivision 3. The certified assessor must verbally communicate this appeal right  
498.8 to the person and must visually point out where in the document the right to appeal is stated.

498.9 (k) Face-to-face assessment completed as part of eligibility determination for the  
498.10 alternative care, elderly waiver, developmental disabilities, community access for disability  
498.11 inclusion, community alternative care, and brain injury waiver programs under sections  
498.12 256B.0913, 256B.0915, 256B.092, and 256B.49 is valid to establish service eligibility for  
498.13 no more than 60 calendar days after the date of assessment.

498.14 (l) The effective eligibility start date for programs in paragraph (k) can never be prior  
498.15 to the date of assessment. If an assessment was completed more than 60 days before the  
498.16 effective waiver or alternative care program eligibility start date, assessment and support  
498.17 plan information must be updated and documented in the department's Medicaid Management  
498.18 Information System (MMIS). Notwithstanding retroactive medical assistance coverage of  
498.19 state plan services, the effective date of eligibility for programs included in paragraph (k)  
498.20 cannot be prior to the date the most recent updated assessment is completed.

498.21 (m) If an eligibility update is completed within 90 days of the previous face-to-face  
498.22 assessment and documented in the department's Medicaid Management Information System  
498.23 (MMIS), the effective date of eligibility for programs included in paragraph (k) is the date  
498.24 of the previous face-to-face assessment when all other eligibility requirements are met.

498.25 (n) At the time of reassessment, the certified assessor shall assess each person receiving  
498.26 waiver services currently residing in a community residential setting, or licensed adult foster  
498.27 care home that is not the primary residence of the license holder, or in which the license  
498.28 holder is not the primary caregiver, to determine if that person would prefer to be served in  
498.29 a community-living setting as defined in section 256B.49, subdivision 23. The certified  
498.30 assessor shall offer the person, through a person-centered planning process, the option to  
498.31 receive alternative housing and service options.

499.1 Sec. 16. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3f, is  
499.2 amended to read:

499.3 Subd. 3f. **Long-term care reassessments and community support plan updates.** (a)  
499.4 Prior to a face-to-face reassessment, the certified assessor must review the person's most  
499.5 recent assessment. Reassessments must be tailored using the professional judgment of the  
499.6 assessor to the person's known needs, strengths, preferences, and circumstances.  
499.7 Reassessments provide information to support the person's informed choice and opportunities  
499.8 to express choice regarding activities that contribute to quality of life, as well as information  
499.9 and opportunity to identify goals related to desired employment, community activities, and  
499.10 preferred living environment. Reassessments ~~allow for~~ require a review of the most recent  
499.11 assessment, review of the current coordinated service and support plan's effectiveness,  
499.12 monitoring of services, and the development of an updated person-centered community  
499.13 support plan. Reassessments verify continued eligibility or offer alternatives as warranted  
499.14 and provide an opportunity for quality assurance of service delivery. Face-to-face assessments  
499.15 reassessments must be conducted annually or as required by federal and state laws and rules.  
499.16 For reassessments, the certified assessor and the individual responsible for developing the  
499.17 coordinated service and support plan must ensure the continuity of care for the person  
499.18 receiving services and complete the updated community support plan and the updated  
499.19 coordinated service and support plan within the timelines established by the commissioner.

499.20 (b) The commissioner shall develop mechanisms for providers and case managers to  
499.21 share information with the assessor to facilitate a reassessment and support planning process  
499.22 tailored to the person's current needs and preferences.

499.23 Sec. 17. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 5, is  
499.24 amended to read:

499.25 Subd. 5. **Administrative activity.** (a) The commissioner shall streamline the processes,  
499.26 including timelines for when assessments need to be completed, required to provide the  
499.27 services in this section and shall implement integrated solutions to automate the business  
499.28 processes to the extent necessary for community support plan approval, reimbursement,  
499.29 program planning, evaluation, and policy development.

499.30 (b) The commissioner of human services shall work with lead agencies responsible for  
499.31 conducting long-term consultation services to modify the MnCHOICES application and  
499.32 assessment policies to create efficiencies while ensuring federal compliance with medical  
499.33 assistance and long-term services and supports eligibility criteria.

500.1 (c) The commissioner shall work with lead agencies responsible for conducting long-term  
 500.2 consultation services to develop a set of measurable benchmarks sufficient to demonstrate  
 500.3 quarterly improvement in the average time per assessment and other mutually agreed upon  
 500.4 measures of increasing efficiency. The commissioner shall collect data on these benchmarks  
 500.5 and provide to the lead agencies and the chairs and ranking minority members of the  
 500.6 legislative committees with jurisdiction over human services an annual trend analysis of  
 500.7 the data in order to demonstrate the commissioner's compliance with the requirements of  
 500.8 this subdivision.

500.9 Sec. 18. Minnesota Statutes 2016, section 256B.0915, subdivision 6, is amended to read:

500.10 Subd. 6. **Implementation of coordinated service and support plan.** (a) Each elderly  
 500.11 waiver client shall be provided a copy of a written coordinated service and support plan  
 500.12 ~~which~~ that:

500.13 (1) is developed with and signed by the recipient within ~~ten working days after the case~~  
 500.14 ~~manager receives the assessment information and written community support plan as~~  
 500.15 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines  
 500.16 established by the commissioner. The timeline for completing the community support plan  
 500.17 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must  
 500.18 not exceed 56 calendar days from the assessment visit;

500.19 (2) includes the person's need for service and identification of service needs that will be  
 500.20 or that are met by the person's relatives, friends, and others, as well as community services  
 500.21 used by the general public;

500.22 (3) reasonably ensures the health and welfare of the recipient;

500.23 (4) identifies the person's preferences for services as stated by the person or the person's  
 500.24 legal guardian or conservator;

500.25 (5) reflects the person's informed choice between institutional and community-based  
 500.26 services, as well as choice of services, supports, and providers, including available case  
 500.27 manager providers;

500.28 (6) identifies long-range and short-range goals for the person;

500.29 (7) identifies specific services and the amount, frequency, duration, and cost of the  
 500.30 services to be provided to the person based on assessed needs, preferences, and available  
 500.31 resources;

500.32 (8) includes information about the right to appeal decisions under section 256.045; and

501.1 (9) includes the authorized annual and estimated monthly amounts for the services.

501.2 (b) In developing the coordinated service and support plan, the case manager should  
 501.3 also include the use of volunteers, religious organizations, social clubs, and civic and service  
 501.4 organizations to support the individual in the community. The lead agency must be held  
 501.5 harmless for damages or injuries sustained through the use of volunteers and agencies under  
 501.6 this paragraph, including workers' compensation liability.

501.7 Sec. 19. Minnesota Statutes 2016, section 256B.092, subdivision 1b, is amended to read:

501.8 Subd. 1b. **Coordinated service and support plan.** (a) Each recipient of home and  
 501.9 community-based waived services shall be provided a copy of the written coordinated  
 501.10 service and support plan ~~which~~ that:

501.11 (1) is developed with and signed by the recipient within ~~ten working days after the case~~  
 501.12 ~~manager receives the assessment information and written community support plan as~~  
 501.13 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines  
 501.14 established by the commissioner. The timeline for completing the community support plan  
 501.15 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must  
 501.16 not exceed 56 calendar days from the assessment visit;

501.17 (2) includes the person's need for service, including identification of service needs that  
 501.18 will be or that are met by the person's relatives, friends, and others, as well as community  
 501.19 services used by the general public;

501.20 (3) reasonably ensures the health and welfare of the recipient;

501.21 (4) identifies the person's preferences for services as stated by the person, the person's  
 501.22 legal guardian or conservator, or the parent if the person is a minor, including the person's  
 501.23 choices made on self-directed options and on services and supports to achieve employment  
 501.24 goals;

501.25 (5) provides for an informed choice, as defined in section 256B.77, subdivision 2,  
 501.26 paragraph (o), of service and support providers, and identifies all available options for case  
 501.27 management services and providers;

501.28 (6) identifies long-range and short-range goals for the person;

501.29 (7) identifies specific services and the amount and frequency of the services to be provided  
 501.30 to the person based on assessed needs, preferences, and available resources. The coordinated  
 501.31 service and support plan shall also specify other services the person needs that are not  
 501.32 available;

502.1 (8) identifies the need for an individual program plan to be developed by the provider  
 502.2 according to the respective state and federal licensing and certification standards, and  
 502.3 additional assessments to be completed or arranged by the provider after service initiation;

502.4 (9) identifies provider responsibilities to implement and make recommendations for  
 502.5 modification to the coordinated service and support plan;

502.6 (10) includes notice of the right to request a conciliation conference or a hearing under  
 502.7 section 256.045;

502.8 (11) is agreed upon and signed by the person, the person's legal guardian or conservator,  
 502.9 or the parent if the person is a minor, and the authorized county representative;

502.10 (12) is reviewed by a health professional if the person has overriding medical needs that  
 502.11 impact the delivery of services; and

502.12 (13) includes the authorized annual and monthly amounts for the services.

502.13 (b) In developing the coordinated service and support plan, the case manager is  
 502.14 encouraged to include the use of volunteers, religious organizations, social clubs, and civic  
 502.15 and service organizations to support the individual in the community. The lead agency must  
 502.16 be held harmless for damages or injuries sustained through the use of volunteers and agencies  
 502.17 under this paragraph, including workers' compensation liability.

502.18 (c) Approved, written, and signed changes to a consumer's services that meet the criteria  
 502.19 in this subdivision shall be an addendum to that consumer's individual service plan.

502.20 Sec. 20. Minnesota Statutes 2016, section 256B.092, subdivision 1g, is amended to read:

502.21 Subd. 1g. **Conditions not requiring development of coordinated service and support**  
 502.22 **plan.** (a) Unless otherwise required by federal law, the county agency is not required to  
 502.23 complete a coordinated service and support plan as defined in subdivision 1b for:

502.24 (1) persons whose families are requesting respite care for their family member who  
 502.25 resides with them, or whose families are requesting a family support grant and are not  
 502.26 requesting purchase or arrangement of habilitative services; and

502.27 (2) persons with developmental disabilities, living independently without authorized  
 502.28 services or receiving funding for services at a rehabilitation facility as defined in section  
 502.29 268A.01, subdivision 6, and not in need of or requesting additional services.

502.30 (b) Unless otherwise required by federal law, the county agency is not required to conduct  
 502.31 or arrange for an annual needs reassessment by a certified assessor. The case manager who  
 502.32 works on behalf of the person to identify the person's needs and to minimize the impact of

503.1 the disability on the person's life must develop a person-centered service plan based on the  
 503.2 person's assessed needs and preferences. The person-centered service plan must be reviewed  
 503.3 annually. This paragraph applies to persons with developmental disabilities who are receiving  
 503.4 case management services under Minnesota Rules, part 9525.0036, and who make an  
 503.5 informed choice to decline an assessment under section 256B.0911.

503.6 Sec. 21. Minnesota Statutes 2016, section 256B.093, subdivision 1, is amended to read:

503.7 Subdivision 1. **State traumatic brain injury program.** (a) The commissioner of human  
 503.8 services shall:

503.9 (1) maintain a statewide traumatic brain injury program;

503.10 (2) supervise and coordinate services and policies for persons with traumatic brain  
 503.11 injuries;

503.12 (3) contract with qualified agencies or employ staff to provide statewide administrative  
 503.13 case management and consultation;

503.14 (4) maintain an advisory committee to provide recommendations in reports to the  
 503.15 commissioner regarding program and service needs of persons with brain injuries;

503.16 (5) investigate the need for the development of rules or statutes for the brain injury home  
 503.17 and community-based services waiver; and

503.18 (6) investigate present and potential models of service coordination which can be  
 503.19 delivered at the local level; ~~and.~~

503.20 ~~(7)~~ (b) The advisory committee required by paragraph (a), clause (4), must consist of  
 503.21 no fewer than ten members and no more than 30 members. The commissioner shall appoint  
 503.22 all advisory committee members to one- or two-year terms and appoint one member as  
 503.23 chair. The advisory committee ~~does not terminate until~~ expires on June 30, 2018 2023.

503.24 Sec. 22. Minnesota Statutes 2017 Supplement, section 256B.49, subdivision 13, is amended  
 503.25 to read:

503.26 Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver  
 503.27 shall be provided case management services by qualified vendors as described in the federally  
 503.28 approved waiver application. The case management service activities provided must include:

503.29 (1) finalizing the written coordinated service and support plan within ~~ten working days~~  
 503.30 ~~after the case manager receives the plan from the certified assessor~~ the timelines established  
 503.31 by the commissioner. The timeline for completing the community support plan under section

504.1 256B.0911, subdivision 3a, and the coordinated service and support plan must not exceed  
504.2 56 calendar days from the assessment visit;

504.3 (2) informing the recipient or the recipient's legal guardian or conservator of service  
504.4 options;

504.5 (3) assisting the recipient in the identification of potential service providers and available  
504.6 options for case management service and providers, including services provided in a  
504.7 non-disability-specific setting;

504.8 (4) assisting the recipient to access services and assisting with appeals under section  
504.9 256.045; and

504.10 (5) coordinating, evaluating, and monitoring of the services identified in the service  
504.11 plan.

504.12 (b) The case manager may delegate certain aspects of the case management service  
504.13 activities to another individual provided there is oversight by the case manager. The case  
504.14 manager may not delegate those aspects which require professional judgment including:

504.15 (1) finalizing the coordinated service and support plan;

504.16 (2) ongoing assessment and monitoring of the person's needs and adequacy of the  
504.17 approved coordinated service and support plan; and

504.18 (3) adjustments to the coordinated service and support plan.

504.19 (c) Case management services must be provided by a public or private agency that is  
504.20 enrolled as a medical assistance provider determined by the commissioner to meet all of  
504.21 the requirements in the approved federal waiver plans. Case management services must not  
504.22 be provided to a recipient by a private agency that has any financial interest in the provision  
504.23 of any other services included in the recipient's coordinated service and support plan. For  
504.24 purposes of this section, "private agency" means any agency that is not identified as a lead  
504.25 agency under section 256B.0911, subdivision 1a, paragraph (e).

504.26 (d) For persons who need a positive support transition plan as required in chapter 245D,  
504.27 the case manager shall participate in the development and ongoing evaluation of the plan  
504.28 with the expanded support team. At least quarterly, the case manager, in consultation with  
504.29 the expanded support team, shall evaluate the effectiveness of the plan based on progress  
504.30 evaluation data submitted by the licensed provider to the case manager. The evaluation must  
504.31 identify whether the plan has been developed and implemented in a manner to achieve the  
504.32 following within the required timelines:

505.1 (1) phasing out the use of prohibited procedures;

505.2 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's  
505.3 timeline; and

505.4 (3) accomplishment of identified outcomes.

505.5 If adequate progress is not being made, the case manager shall consult with the person's  
505.6 expanded support team to identify needed modifications and whether additional professional  
505.7 support is required to provide consultation.

505.8 Sec. 23. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is  
505.9 amended to read:

505.10 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
505.11 meanings given them, unless the context clearly indicates otherwise.

505.12 (b) "Commissioner" means the commissioner of human services.

505.13 (c) "Component value" means underlying factors that are part of the cost of providing  
505.14 services that are built into the waiver rates methodology to calculate service rates.

505.15 (d) "Customized living tool" means a methodology for setting service rates that delineates  
505.16 and documents the amount of each component service included in a recipient's customized  
505.17 living service plan.

505.18 (e) "Direct care staff" means employees providing direct service provision to people  
505.19 receiving services under this section. Direct care staff does not include executive, managerial,  
505.20 and administrative staff.

505.21 (f) "Disability waiver rates system" means a statewide system that establishes rates that  
505.22 are based on uniform processes and captures the individualized nature of waiver services  
505.23 and recipient needs.

505.24 ~~(f)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to  
505.25 an individual recipient by staff to provide direct support and assistance with activities of  
505.26 daily living, instrumental activities of daily living, and training to participants, and is based  
505.27 on the requirements in each individual's coordinated service and support plan under section  
505.28 245D.02, subdivision 4b; any coordinated service and support plan addendum under section  
505.29 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's  
505.30 needs must also be considered.

505.31 ~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged  
505.32 with administering waived services under sections 256B.092 and 256B.49.

506.1 ~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups,  
506.2 one-half above the median and one-half below the median.

506.3 ~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services  
506.4 provided to a qualified individual based on an approved service authorization.

506.5 ~~(j)~~ (k) "Rates management system" means a Web-based software application that uses  
506.6 a framework and component values, as determined by the commissioner, to establish service  
506.7 rates.

506.8 ~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded  
506.9 under any of the disability waivers.

506.10 ~~(l)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph  
506.11 ~~(g)~~ (g), providing or available to provide more than one individual with direct support and  
506.12 assistance with activities of daily living as defined under section 256B.0659, subdivision  
506.13 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,  
506.14 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and  
506.15 training to participants, and is based on the requirements in each individual's coordinated  
506.16 service and support plan under section 245D.02, subdivision 4b; any coordinated service  
506.17 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and  
506.18 provider observation of an individual's service need. Total shared staffing hours are divided  
506.19 proportionally by the number of individuals who receive the shared service provisions.

506.20 ~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee  
506.21 supports during a unit of service based on a uniform assessment tool, provider observation,  
506.22 case history, and the recipient's services of choice, and not based on the staffing ratios under  
506.23 section 245D.31.

506.24 ~~(n)~~ (o) "Unit of service" means the following:

506.25 (1) for residential support services under subdivision 6, a unit of service is a day. Any  
506.26 portion of any calendar day, within allowable Medicaid rules, where an individual spends  
506.27 time in a residential setting is billable as a day;

506.28 (2) for day services under subdivision 7:

506.29 (i) for day training and habilitation services, a unit of service is either:

506.30 (A) a day unit of service is defined as six or more hours of time spent providing direct  
506.31 services and transportation; or

507.1 (B) a partial day unit of service is defined as fewer than six hours of time spent providing  
507.2 direct services and transportation; and

507.3 (C) for new day service recipients after January 1, 2014, 15 minute units of service must  
507.4 be used for fewer than six hours of time spent providing direct services and transportation;

507.5 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A  
507.6 day unit of service is six or more hours of time spent providing direct services;

507.7 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of service  
507.8 is six or more hours of time spent providing direct service;

507.9 (3) for unit-based services with programming under subdivision 8:

507.10 (i) for supported living services, a unit of service is a day or 15 minutes. When a day  
507.11 rate is authorized, any portion of a calendar day where an individual receives services is  
507.12 billable as a day; and

507.13 (ii) for all other services, a unit of service is 15 minutes; and

507.14 (4) for unit-based services without programming under subdivision 9, a unit of service  
507.15 is 15 minutes.

507.16 Sec. 24. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 3, is  
507.17 amended to read:

507.18 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's  
507.19 home and community-based services waivers under sections 256B.092 and 256B.49,  
507.20 including the following, as defined in the federally approved home and community-based  
507.21 services plan:

507.22 (1) 24-hour customized living;

507.23 (2) adult day care;

507.24 (3) adult day care bath;

507.25 ~~(4) behavioral programming;~~

507.26 ~~(5)~~ (4) companion services;

507.27 ~~(6)~~ (5) customized living;

507.28 ~~(7)~~ (6) day training and habilitation;

507.29 (7) employment development services;

507.30 (8) employment exploration services;

- 508.1 (9) employment support services;
- 508.2 ~~(8)~~ (10) housing access coordination;
- 508.3 ~~(9)~~ (11) independent living skills;
- 508.4 (12) independent living skills specialist services;
- 508.5 (13) individualized home supports;
- 508.6 ~~(10)~~ (14) in-home family support;
- 508.7 ~~(11)~~ (15) night supervision;
- 508.8 ~~(12)~~ (16) personal support;
- 508.9 (17) positive support service;
- 508.10 ~~(13)~~ (18) prevocational services;
- 508.11 ~~(14)~~ (19) residential care services;
- 508.12 ~~(15)~~ (20) residential support services;
- 508.13 ~~(16)~~ (21) respite services;
- 508.14 ~~(17)~~ (22) structured day services;
- 508.15 ~~(18)~~ (23) supported employment services;
- 508.16 ~~(19)~~ (24) supported living services;
- 508.17 ~~(20)~~ (25) transportation services;
- 508.18 ~~(21) individualized home supports;~~
- 508.19 ~~(22) independent living skills specialist services;~~
- 508.20 ~~(23) employment exploration services;~~
- 508.21 ~~(24) employment development services;~~
- 508.22 ~~(25) employment support services; and~~
- 508.23 (26) other services as approved by the federal government in the state home and
- 508.24 community-based services plan.

508.25 Sec. 25. Minnesota Statutes 2016, section 256B.4914, subdivision 4, is amended to read:

508.26 Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and

508.27 community-based waived services, including rate exceptions under subdivision 12, are

508.28 set by the rates management system.

509.1 (b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a  
509.2 manner prescribed by the commissioner.

509.3 (c) Data and information in the rates management system may be used to calculate an  
509.4 individual's rate.

509.5 (d) Service providers, with information from the community support plan and oversight  
509.6 by lead agencies, shall provide values and information needed to calculate an individual's  
509.7 rate into the rates management system. The determination of service levels must be part of  
509.8 a discussion with members of the support team as defined in section 245D.02, subdivision  
509.9 34. This discussion must occur prior to the final establishment of each individual's rate. The  
509.10 values and information include:

509.11 (1) shared staffing hours;

509.12 (2) individual staffing hours;

509.13 (3) direct registered nurse hours;

509.14 (4) direct licensed practical nurse hours;

509.15 (5) staffing ratios;

509.16 (6) information to document variable levels of service qualification for variable levels  
509.17 of reimbursement in each framework;

509.18 (7) shared or individualized arrangements for unit-based services, including the staffing  
509.19 ratio;

509.20 (8) number of trips and miles for transportation services; and

509.21 (9) service hours provided through monitoring technology.

509.22 (e) Updates to individual data must include:

509.23 (1) data for each individual that is updated annually when renewing service plans; and

509.24 (2) requests by individuals or lead agencies to update a rate whenever there is a change  
509.25 in an individual's service needs, with accompanying documentation.

509.26 (f) Lead agencies shall review and approve all services reflecting each individual's needs,  
509.27 and the values to calculate the final payment rate for services with variables under  
509.28 subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual and  
509.29 the service provider of the final agreed-upon values and rate, and provide information that  
509.30 is identical to what was entered into the rates management system. If a value used was  
509.31 mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead

510.1 agencies to correct it. Lead agencies must respond to these requests. When responding to  
510.2 the request, the lead agency must consider:

510.3 (1) meeting the health and welfare needs of the individual or individuals receiving  
510.4 services by service site, identified in their coordinated service and support plan under section  
510.5 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

510.6 (2) meeting the requirements for staffing under subdivision 2, paragraphs ~~(f)~~ (g), ~~(i)~~ (m),  
510.7 and ~~(m)~~ (n); and meeting or exceeding the licensing standards for staffing required under  
510.8 section 245D.09, subdivision 1; and

510.9 (3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and  
510.10 meeting or exceeding the licensing standards for staffing required under section 245D.31.

510.11 Sec. 26. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is  
510.12 amended to read:

510.13 Subd. 5. **Base wage index and standard component values.** (a) The base wage index  
510.14 is established to determine staffing costs associated with providing services to individuals  
510.15 receiving home and community-based services. For purposes of developing and calculating  
510.16 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard  
510.17 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in  
510.18 the most recent edition of the Occupational Handbook must be used. The base wage index  
510.19 must be calculated as follows:

510.20 (1) for residential direct care staff, the sum of:

510.21 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home  
510.22 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC  
510.23 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC  
510.24 code 21-1093); and

510.25 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide  
510.26 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
510.27 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code  
510.28 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
510.29 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

510.30 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code  
510.31 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
510.32 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

511.1 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota  
511.2 for large employers, except in a family foster care setting, the wage is 36 percent of the  
511.3 minimum wage in Minnesota for large employers;

511.4 (4) for behavior program analyst staff, 100 percent of the median wage for mental health  
511.5 counselors (SOC code 21-1014);

511.6 (5) for behavior program professional staff, 100 percent of the median wage for clinical  
511.7 counseling and school psychologist (SOC code 19-3031);

511.8 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric  
511.9 technicians (SOC code 29-2053);

511.10 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant  
511.11 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code  
511.12 29-2053); and 60 percent of the median wage for social and human services aide (SOC code  
511.13 21-1093);

511.14 (8) for housing access coordination staff, 100 percent of the median wage for community  
511.15 and social services specialist (SOC code 21-1099);

511.16 (9) for in-home family support staff, 20 percent of the median wage for nursing aide  
511.17 (SOC code 31-1012); 30 percent of the median wage for community social service specialist  
511.18 (SOC code 21-1099); 40 percent of the median wage for social and human services aide  
511.19 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC  
511.20 code 29-2053);

511.21 (10) for individualized home supports services staff, 40 percent of the median wage for  
511.22 community social service specialist (SOC code 21-1099); 50 percent of the median wage  
511.23 for social and human services aide (SOC code 21-1093); and ten percent of the median  
511.24 wage for psychiatric technician (SOC code 29-2053);

511.25 (11) for independent living skills staff, 40 percent of the median wage for community  
511.26 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and  
511.27 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
511.28 technician (SOC code 29-2053);

511.29 (12) for independent living skills specialist staff, 100 percent of mental health and  
511.30 substance abuse social worker (SOC code 21-1023);

511.31 (13) for supported employment staff, 20 percent of the median wage for nursing assistant  
511.32 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code

512.1 29-2053); and 60 percent of the median wage for social and human services aide (SOC code  
512.2 21-1093);

512.3 (14) for employment support services staff, 50 percent of the median wage for  
512.4 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
512.5 community and social services specialist (SOC code 21-1099);

512.6 (15) for employment exploration services staff, 50 percent of the median wage for  
512.7 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
512.8 community and social services specialist (SOC code 21-1099);

512.9 (16) for employment development services staff, 50 percent of the median wage for  
512.10 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent  
512.11 of the median wage for community and social services specialist (SOC code 21-1099);

512.12 (17) for adult companion staff, 50 percent of the median wage for personal and home  
512.13 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant  
512.14 (SOC code 31-1014);

512.15 (18) for night supervision staff, 20 percent of the median wage for home health aide  
512.16 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
512.17 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code  
512.18 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
512.19 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

512.20 (19) for respite staff, 50 percent of the median wage for personal and home care aide  
512.21 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code  
512.22 31-1014);

512.23 (20) for personal support staff, 50 percent of the median wage for personal and home  
512.24 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant  
512.25 (SOC code 31-1014);

512.26 (21) for supervisory staff, 100 percent of the median wage for community and social  
512.27 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior  
512.28 professional, behavior analyst, and behavior specialists, which is 100 percent of the median  
512.29 wage for clinical counseling and school psychologist (SOC code 19-3031);

512.30 (22) for registered nurse staff, 100 percent of the median wage for registered nurses  
512.31 (SOC code 29-1141); and

512.32 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed  
512.33 practical nurses (SOC code 29-2061).

- 513.1 (b) Component values for residential support services are:
- 513.2 (1) supervisory span of control ratio: 11 percent;
- 513.3 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 513.4 (3) employee-related cost ratio: 23.6 percent;
- 513.5 (4) general administrative support ratio: 13.25 percent;
- 513.6 (5) program-related expense ratio: 1.3 percent; and
- 513.7 (6) absence and utilization factor ratio: 3.9 percent.
- 513.8 (c) Component values for family foster care are:
- 513.9 (1) supervisory span of control ratio: 11 percent;
- 513.10 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 513.11 (3) employee-related cost ratio: 23.6 percent;
- 513.12 (4) general administrative support ratio: 3.3 percent;
- 513.13 (5) program-related expense ratio: 1.3 percent; and
- 513.14 (6) absence factor: 1.7 percent.
- 513.15 (d) Component values for day services for all services are:
- 513.16 (1) supervisory span of control ratio: 11 percent;
- 513.17 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 513.18 (3) employee-related cost ratio: 23.6 percent;
- 513.19 (4) program plan support ratio: 5.6 percent;
- 513.20 (5) client programming and support ratio: ten percent;
- 513.21 (6) general administrative support ratio: 13.25 percent;
- 513.22 (7) program-related expense ratio: 1.8 percent; and
- 513.23 (8) absence and utilization factor ratio: 9.4 percent.
- 513.24 (e) Component values for unit-based services with programming are:
- 513.25 (1) supervisory span of control ratio: 11 percent;
- 513.26 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 513.27 (3) employee-related cost ratio: 23.6 percent;

- 514.1 (4) program plan supports ratio: 15.5 percent;
- 514.2 (5) client programming and supports ratio: 4.7 percent;
- 514.3 (6) general administrative support ratio: 13.25 percent;
- 514.4 (7) program-related expense ratio: 6.1 percent; and
- 514.5 (8) absence and utilization factor ratio: 3.9 percent.
- 514.6 (f) Component values for unit-based services without programming except respite are:
- 514.7 (1) supervisory span of control ratio: 11 percent;
- 514.8 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 514.9 (3) employee-related cost ratio: 23.6 percent;
- 514.10 (4) program plan support ratio: 7.0 percent;
- 514.11 (5) client programming and support ratio: 2.3 percent;
- 514.12 (6) general administrative support ratio: 13.25 percent;
- 514.13 (7) program-related expense ratio: 2.9 percent; and
- 514.14 (8) absence and utilization factor ratio: 3.9 percent.
- 514.15 (g) Component values for unit-based services without programming for respite are:
- 514.16 (1) supervisory span of control ratio: 11 percent;
- 514.17 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 514.18 (3) employee-related cost ratio: 23.6 percent;
- 514.19 (4) general administrative support ratio: 13.25 percent;
- 514.20 (5) program-related expense ratio: 2.9 percent; and
- 514.21 (6) absence and utilization factor ratio: 3.9 percent.
- 514.22 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph
- 514.23 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor
- 514.24 Statistics available on December 31, 2016. The commissioner shall publish these updated
- 514.25 values and load them into the rate management system. On July 1, 2022, and every five
- 514.26 years thereafter, the commissioner shall update the base wage index in paragraph (a) based
- 514.27 on the most recently available wage data by SOC from the Bureau of Labor Statistics. The
- 514.28 commissioner shall publish these updated values and load them into the rate management
- 514.29 system.

515.1 (i) On July 1, 2017, the commissioner shall update the framework components in  
 515.2 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision  
 515.3 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the  
 515.4 Consumer Price Index. The commissioner will adjust these values higher or lower by the  
 515.5 percentage change in the Consumer Price Index-All Items, United States city average  
 515.6 (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these  
 515.7 updated values and load them into the rate management system. On July 1, 2022, and every  
 515.8 five years thereafter, the commissioner shall update the framework components in paragraph  
 515.9 (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses  
 515.10 (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer  
 515.11 Price Index. The commissioner shall adjust these values higher or lower by the percentage  
 515.12 change in the CPI-U from the date of the previous update to the date of the data most recently  
 515.13 available prior to the scheduled update. The commissioner shall publish these updated values  
 515.14 and load them into the rate management system.

515.15 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer  
 515.16 Price Index items are unavailable in the future, the commissioner shall recommend to the  
 515.17 legislature codes or items to update and replace missing component values.

515.18 (k) The commissioner shall increase the updated base wage index in paragraph (h) with  
 515.19 a competitive workforce factor as follows:

515.20 (1) upon federal approval, the competitive workforce factor is 8.35 percent;

515.21 (2) effective July 1, 2019, the competitive workforce factor is decreased to 5.5 percent;

515.22 and

515.23 (3) effective July 1, 2020, the competitive workforce factor is decreased to 1.8 percent.

515.24 The lead agencies must implement changes to the competitive workforce factor on the dates  
 515.25 listed in clauses (1) to (3), and not as reassessments, reauthorizations, or service plan renewals  
 515.26 occur.

515.27 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner  
 515.28 shall inform the revisor of statutes when federal approval is obtained.

515.29 Sec. 27. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10, is  
 515.30 amended to read:

515.31 **Subd. 10. Updating payment values and additional information.** (a) From January  
 515.32 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform  
 515.33 procedures to refine terms and adjust values used to calculate payment rates in this section.

516.1 (b) No later than July 1, 2014, the commissioner shall, within available resources, begin  
516.2 to conduct research and gather data and information from existing state systems or other  
516.3 outside sources on the following items:

516.4 (1) differences in the underlying cost to provide services and care across the state; and

516.5 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and  
516.6 units of transportation for all day services, which must be collected from providers using  
516.7 the rate management worksheet and entered into the rates management system; and

516.8 (3) the distinct underlying costs for services provided by a license holder under sections  
516.9 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided  
516.10 by a license holder certified under section 245D.33.

516.11 (c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid  
516.12 set of rates management system data, the commissioner, in consultation with stakeholders,  
516.13 shall analyze for each service the average difference in the rate on December 31, 2013, and  
516.14 the framework rate at the individual, provider, lead agency, and state levels. The  
516.15 commissioner shall issue semiannual reports to the stakeholders on the difference in rates  
516.16 by service and by county during the banding period under section 256B.4913, subdivision  
516.17 4a. The commissioner shall issue the first report by October 1, 2014, and the final report  
516.18 shall be issued by December 31, 2018.

516.19 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall  
516.20 begin the review and evaluation of the following values already in subdivisions 6 to 9, or  
516.21 issues that impact all services, including, but not limited to:

516.22 (1) values for transportation rates;

516.23 (2) values for services where monitoring technology replaces staff time;

516.24 (3) values for indirect services;

516.25 (4) values for nursing;

516.26 (5) values for the facility use rate in day services, and the weightings used in the day  
516.27 service ratios and adjustments to those weightings;

516.28 (6) values for workers' compensation as part of employee-related expenses;

516.29 (7) values for unemployment insurance as part of employee-related expenses;

516.30 (8) any changes in state or federal law with a direct impact on the underlying cost of  
516.31 providing home and community-based services; and

517.1 (9) direct care staff labor market measures; and

517.2 (10) outcome measures, determined by the commissioner, for home and community-based  
517.3 services rates determined under this section.

517.4 (e) The commissioner shall report to the chairs and the ranking minority members of  
517.5 the legislative committees and divisions with jurisdiction over health and human services  
517.6 policy and finance with the information and data gathered under paragraphs (b) to (d), and  
517.7 subdivision 10, paragraph (g), clause (6), on the following dates:

517.8 (1) January 15, 2015, with preliminary results and data;

517.9 (2) January 15, 2016, with a status implementation update, and additional data and  
517.10 summary information;

517.11 (3) January 15, 2017, with the full report; and

517.12 (4) January 15, 2020, with another full report, and a full report once every four years  
517.13 thereafter.

517.14 (f) The commissioner shall implement a regional adjustment factor to all rate calculations  
517.15 in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the  
517.16 commissioner shall renew analysis and implement changes to the regional adjustment factors  
517.17 when adjustments required under subdivision 5, paragraph (h), occur. Prior to  
517.18 implementation, the commissioner shall consult with stakeholders on the methodology to  
517.19 calculate the adjustment.

517.20 (g) The commissioner shall provide a public notice via LISTSERV in October of each  
517.21 year beginning October 1, 2014, containing information detailing legislatively approved  
517.22 changes in:

517.23 (1) calculation values including derived wage rates and related employee and  
517.24 administrative factors;

517.25 (2) service utilization;

517.26 (3) county and tribal allocation changes; and

517.27 (4) information on adjustments made to calculation values and the timing of those  
517.28 adjustments.

517.29 The information in this notice must be effective January 1 of the following year.

517.30 (h) When the available shared staffing hours in a residential setting are insufficient to  
517.31 meet the needs of an individual who enrolled in residential services after January 1, 2014,

518.1 or insufficient to meet the needs of an individual with a service agreement adjustment  
518.2 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours  
518.3 shall be used.

518.4 (i) The commissioner shall study the underlying cost of absence and utilization for day  
518.5 services. Based on the commissioner's evaluation of the data collected under this paragraph,  
518.6 the commissioner shall make recommendations to the legislature by January 15, 2018, for  
518.7 changes, if any, to the absence and utilization factor ratio component value for day services.

518.8 (j) Beginning July 1, 2017, the commissioner shall collect transportation and trip  
518.9 information for all day services through the rates management system.

518.10 Sec. 28. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10a, is  
518.11 amended to read:

518.12 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure  
518.13 that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the  
518.14 service. As determined by the commissioner, in consultation with stakeholders identified  
518.15 in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates  
518.16 determined under this section must submit requested cost data to the commissioner to support  
518.17 research on the cost of providing services that have rates determined by the disability waiver  
518.18 rates system. Requested cost data may include, but is not limited to:

518.19 (1) worker wage costs;

518.20 (2) benefits paid;

518.21 (3) supervisor wage costs;

518.22 (4) executive wage costs;

518.23 (5) vacation, sick, and training time paid;

518.24 (6) taxes, workers' compensation, and unemployment insurance costs paid;

518.25 (7) administrative costs paid;

518.26 (8) program costs paid;

518.27 (9) transportation costs paid;

518.28 (10) vacancy rates; and

518.29 (11) other data relating to costs required to provide services requested by the  
518.30 commissioner.

519.1 (b) At least once in any five-year period, a provider must submit cost data for a fiscal  
519.2 year that ended not more than 18 months prior to the submission date. The commissioner  
519.3 shall provide each provider a 90-day notice prior to its submission due date. If a provider  
519.4 fails to submit required reporting data, the commissioner shall provide notice to providers  
519.5 that have not provided required data 30 days after the required submission date, and a second  
519.6 notice for providers who have not provided required data 60 days after the required  
519.7 submission date. The commissioner shall temporarily suspend payments to the provider if  
519.8 cost data is not received 90 days after the required submission date. Withheld payments  
519.9 shall be made once data is received by the commissioner.

519.10 (c) The commissioner shall conduct a random validation of data submitted under  
519.11 paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation  
519.12 in paragraph (a) and provide recommendations for adjustments to cost components.

519.13 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in  
519.14 consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit  
519.15 recommendations on component values and inflationary factor adjustments to the chairs  
519.16 and ranking minority members of the legislative committees with jurisdiction over human  
519.17 services every four years beginning January 1, 2020. The commissioner shall make  
519.18 recommendations in conjunction with reports submitted to the legislature according to  
519.19 subdivision 10, paragraph (e). The commissioner shall release cost data in an aggregate  
519.20 form, and cost data from individual providers shall not be released except as provided for  
519.21 in current law.

519.22 (e) The commissioner, in consultation with stakeholders identified in section 256B.4913,  
519.23 subdivision 5, shall develop and implement a process for providing training and technical  
519.24 assistance necessary to support provider submission of cost documentation required under  
519.25 paragraph (a).

519.26 (f) Beginning January 1, 2019, providers enrolled to provide services with rates  
519.27 determined under this section shall submit labor market data to the commissioner annually.

519.28 (g) Beginning January 15, 2020, the commissioner shall publish annual reports on  
519.29 provider and state-level labor market data, including, but not limited to:

519.30 (1) number of direct care staff;

519.31 (2) wages of direct care staff;

519.32 (3) benefits provided to direct care staff;

519.33 (4) direct care staff job vacancies;

520.1 (5) direct care staff retention rates; and

520.2 (6) an evaluation of the effectiveness of the competitive workforce factors.

520.3 Sec. 29. Minnesota Statutes 2017 Supplement, section 256I.03, subdivision 8, is amended  
520.4 to read:

520.5 Subd. 8. **Supplementary services.** "Supplementary services" means housing support  
520.6 services provided to individuals in addition to room and board including, but not limited  
520.7 to, oversight and up to 24-hour supervision, medication reminders, assistance with  
520.8 transportation, arranging for meetings and appointments, and arranging for medical and  
520.9 social services. Providers must comply with section 256I.04, subdivision 2h.

520.10 Sec. 30. Minnesota Statutes 2017 Supplement, section 256I.04, subdivision 2b, is amended  
520.11 to read:

520.12 Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers  
520.13 of housing support must be in writing on a form developed and approved by the commissioner  
520.14 and must specify the name and address under which the establishment subject to the  
520.15 agreement does business and under which the establishment, or service provider, if different  
520.16 from the group residential housing establishment, is licensed by the Department of Health  
520.17 or the Department of Human Services; the specific license or registration from the  
520.18 Department of Health or the Department of Human Services held by the provider and the  
520.19 number of beds subject to that license; the address of the location or locations at which  
520.20 group residential housing is provided under this agreement; the per diem and monthly rates  
520.21 that are to be paid from housing support funds for each eligible resident at each location;  
520.22 the number of beds at each location which are subject to the agreement; whether the license  
520.23 holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code;  
520.24 and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06  
520.25 and subject to any changes to those sections.

520.26 (b) Providers are required to verify the following minimum requirements in the  
520.27 agreement:

520.28 (1) current license or registration, including authorization if managing or monitoring  
520.29 medications;

520.30 (2) all staff who have direct contact with recipients meet the staff qualifications;

520.31 (3) the provision of housing support;

520.32 (4) the provision of supplementary services, if applicable;

521.1 (5) reports of adverse events, including recipient death or serious injury; ~~and~~  
 521.2 (6) submission of residency requirements that could result in recipient eviction; and  
 521.3 (7) confirmation that the provider will not limit or restrict the number of hours an  
 521.4 applicant or recipient chooses to be employed, as specified in subdivision 5.

521.5 (c) Agreements may be terminated with or without cause by the commissioner, the  
 521.6 agency, or the provider with two calendar months prior notice. The commissioner may  
 521.7 immediately terminate an agreement under subdivision 2d.

521.8 Sec. 31. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision  
 521.9 to read:

521.10 Subd. 2h. **Required supplementary services.** Providers of supplementary services shall  
 521.11 ensure that recipients have, at a minimum, assistance with services as identified in the  
 521.12 recipient's professional statement of need under section 256I.03, subdivision 12. Providers  
 521.13 of supplementary services shall maintain case notes with the date and description of services  
 521.14 provided to individual recipients.

521.15 Sec. 32. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision  
 521.16 to read:

521.17 Subd. 5. **Employment.** A provider is prohibited from limiting or restricting the number  
 521.18 of hours an applicant or recipient is employed.

521.19 Sec. 33. Minnesota Statutes 2017 Supplement, section 256I.05, subdivision 3, is amended  
 521.20 to read:

521.21 Subd. 3. **Limits on rates.** When a room and board rate is used to pay for an individual's  
 521.22 room and board, the rate payable to the residence must not exceed the rate paid by an  
 521.23 individual not receiving a room and board rate ~~under this chapter~~ but who is eligible under  
 521.24 section 256I.04, subdivision 1.

521.25 Sec. 34. Laws 2014, chapter 312, article 27, section 76, is amended to read:

521.26 Sec. 76. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

521.27 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust the  
 521.28 historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a,  
 521.29 paragraph (b), in effect during the banding period under Minnesota Statutes, section

522.1 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective  
522.2 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

522.3 ~~Subd. 2. **Residential support services.** The commissioner of human services shall adjust~~  
522.4 ~~the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraphs~~  
522.5 ~~(b), clause (4), and (c), for the reimbursement rate increases effective April 1, 2014, and~~  
522.6 ~~any rate modification enacted during the 2014 legislative session.~~

522.7 ~~Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates~~  
522.8 ~~calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses~~  
522.9 ~~(15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate~~  
522.10 ~~modification enacted during the 2014 legislative session.~~

522.11 ~~Subd. 4. **Unit-based services with programming.** The commissioner of human services~~  
522.12 ~~shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 8,~~  
522.13 ~~paragraph (a), clause (14), for the reimbursement rate increases effective April 1, 2014, and~~  
522.14 ~~any rate modification enacted during the 2014 legislative session.~~

522.15 ~~Subd. 5. **Unit-based services without programming.** The commissioner of human~~  
522.16 ~~services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision~~  
522.17 ~~9, paragraph (a), clause (23), for the reimbursement rate increases effective April 1, 2014,~~  
522.18 ~~and any rate modification enacted during the 2014 legislative session.~~

522.19 **EFFECTIVE DATE.** This section is effective upon federal approval of the competitive  
522.20 workforce factor under section 26, or January 1, 2019, whichever occurs first. The  
522.21 commissioner of human services shall notify the revisor if this section becomes effective  
522.22 prior to January 1, 2019.

522.23 Sec. 35. Laws 2017, First Special Session chapter 6, article 1, section 52, is amended to  
522.24 read:

522.25 Sec. 52. **RANDOM MOMENT TIME STUDY EVALUATION REQUIRED.**

522.26 The commissioner of human services shall implement administrative efficiencies and  
522.27 evaluate the random moment time study methodology for reimbursement of costs associated  
522.28 with county duties required under Minnesota Statutes, section 256B.0911. The evaluation  
522.29 must determine whether random moment is efficient and effective in supporting functions  
522.30 of assessment and support planning and the purpose under Minnesota Statutes, section  
522.31 256B.0911, subdivision 1. The commissioner shall submit a report to the chairs and ranking  
522.32 minority members of the house of representatives and senate committees with jurisdiction  
522.33 over health and human services by January 15, 2019. The report must include at least one

523.1 option for a flat-rate payment methodology for long-term care consultation assessment and  
 523.2 support planning services, draft legislation to implement the flat-rate options, a fiscal analysis  
 523.3 of the flat-rate options, and a policy analysis of the flat-rate options, including the  
 523.4 commissioner's rationale for supporting or opposing the option that is, in the commissioner's  
 523.5 opinion, the best of the flat-rate options.

523.6 Sec. 36. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to  
 523.7 read:

523.8 Sec. 49. ~~ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM~~  
 523.9 VISIT VERIFICATION.

523.10 Subdivision 1. **Documentation; establishment.** The commissioner of human services  
 523.11 shall establish implementation requirements and standards for an electronic ~~service delivery~~  
 523.12 ~~documentation system~~ visit verification to comply with the 21st Century Cures Act, Public  
 523.13 Law 114-255. Within available appropriations, the commissioner shall take steps to comply  
 523.14 with the electronic visit verification requirements in the 21st Century Cures Act, Public  
 523.15 Law 114-255.

523.16 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have  
 523.17 the meanings given them.

523.18 (b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic  
 523.19 documentation of the:

523.20 (1) type of service performed;

523.21 (2) individual receiving the service;

523.22 (3) date of the service;

523.23 (4) location of the service delivery;

523.24 (5) individual providing the service; and

523.25 (6) time the service begins and ends.

523.26 (c) "Electronic ~~service delivery documentation~~ visit verification system" means a system  
 523.27 that provides electronic ~~service delivery documentation~~ verification of services that complies  
 523.28 with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision  
 523.29 3.

523.30 (d) "Service" means one of the following:

524.1 (1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625,  
 524.2 subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; or

524.3 (2) community first services and supports under Minnesota Statutes, section 256B.85;

524.4 (3) home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

524.5 or

524.6 (4) other medical supplies and equipment or home and community-based services that  
 524.7 are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

524.8 Subd. 3. **System requirements.** (a) In developing implementation requirements for an  
 524.9 ~~electronic service delivery documentation system~~ visit verification, the commissioner shall  
 524.10 ~~consider electronic visit verification systems and other electronic service delivery~~  
 524.11 ~~documentation methods. The commissioner shall convene stakeholders that will be impacted~~  
 524.12 ~~by an electronic service delivery system, including service providers and their representatives,~~  
 524.13 ~~service recipients and their representatives, and, as appropriate, those with expertise in the~~  
 524.14 ~~development and operation of an electronic service delivery documentation system, to ensure~~  
 524.15 that the requirements:

524.16 (1) are minimally administratively and financially burdensome to a provider;

524.17 (2) are minimally burdensome to the service recipient and the least disruptive to the  
 524.18 service recipient in receiving and maintaining allowed services;

524.19 (3) consider existing best practices and use of electronic ~~service delivery documentation~~  
 524.20 visit verification;

524.21 (4) are conducted according to all state and federal laws;

524.22 (5) are effective methods for preventing fraud when balanced against the requirements  
 524.23 of clauses (1) and (2); and

524.24 (6) are consistent with the Department of Human Services' policies related to covered  
 524.25 services, flexibility of service use, and quality assurance.

524.26 (b) The commissioner shall make training available to providers on the electronic ~~service~~  
 524.27 ~~delivery documentation~~ visit verification system requirements.

524.28 (c) The commissioner shall establish baseline measurements related to preventing fraud  
 524.29 and establish measures to determine the effect of electronic ~~service delivery documentation~~  
 524.30 visit verification requirements on program integrity.

524.31 (d) The commissioner shall make a state-selected electronic visit verification system  
 524.32 available to providers of services.

525.1 Subd. 3a. **Provider requirements.** (a) Providers of services may select their own  
 525.2 electronic visit verification system that meets the requirements established by the  
 525.3 commissioner.

525.4 (b) All electronic visit verification systems used by providers to comply with the  
 525.5 requirements established by the commissioner must provide data to the commissioner in a  
 525.6 format and at a frequency to be established by the commissioner.

525.7 (c) Providers must implement the electronic visit verification systems required under  
 525.8 this section by January 1, 2019, for personal care services and by January 1, 2023, for home  
 525.9 health services in accordance with the 21st Century Cures Act, Public Law 114-255, and  
 525.10 the Centers for Medicare and Medicaid Services guidelines. For the purposes of this  
 525.11 paragraph, "personal care services" and "home health services" have the meanings given  
 525.12 in United States Code, title 42, section 1396b(l)(5).

525.13 ~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15,~~  
 525.14 ~~2018, to the chairs and ranking minority members of the legislative committees with~~  
 525.15 ~~jurisdiction over human services with recommendations, based on the requirements of~~  
 525.16 ~~subdivision 3, to establish electronic service delivery documentation system requirements~~  
 525.17 ~~and standards. The report shall identify:~~

525.18 ~~(1) the essential elements necessary to operationalize a base-level electronic service~~  
 525.19 ~~delivery documentation system to be implemented by January 1, 2019; and~~

525.20 ~~(2) enhancements to the base-level electronic service delivery documentation system to~~  
 525.21 ~~be implemented by January 1, 2019, or after, with projected operational costs and the costs~~  
 525.22 ~~and benefits for system enhancements.~~

525.23 ~~(b) The report must also identify current regulations on service providers that are either~~  
 525.24 ~~inefficient, minimally effective, or will be unnecessary with the implementation of an~~  
 525.25 ~~electronic service delivery documentation system.~~

525.26 Sec. 37. **ANALYSIS OF LICENSING ADULT FOSTER CARE.**

525.27 The commissioner shall complete an analysis of settings identified by the commissioner,  
 525.28 in collaboration with county licensing agencies, as needing a license under Minnesota  
 525.29 Statutes, section 245A.03, subdivision 7, paragraph (a), clause (7), to determine if revisions  
 525.30 to the definition of residential program for recipients of home and community-based waiver  
 525.31 services are needed. The commissioner shall engage stakeholders, including licensed  
 525.32 providers of services governed by Minnesota Statutes, chapter 245D, and family members  
 525.33 who own and maintain control of the residence in which the service recipients live, in the

526.1 process of determining if revisions are needed and developing recommendations. The  
 526.2 commissioner shall provide a summary of the analysis and stakeholder input along with  
 526.3 recommendations, if any, to revise the definition of residential program under Minnesota  
 526.4 Statutes, section 245A.02, subdivision 14, to the chairs and ranking minorities members of  
 526.5 the legislative committees with jurisdiction over human services by February 15, 2019.

526.6 **Sec. 38. DIRECTION TO COMMISSIONER.**

526.7 Between July 1, 2018, and December 31, 2018, or until federal approval of the  
 526.8 competitive workforce factor under section 26 if federal approval is obtained before  
 526.9 December 31, 2018, the commissioner of human services shall continue to reimburse the  
 526.10 Centers for Medicare and Medicaid Services for the disallowed federal share of the rate  
 526.11 increases described in Laws 2014, chapter 312, article 27, section 76, subdivisions 2 to 5.

526.12 **EFFECTIVE DATE.** This section is effective July 1, 2018.

526.13 **Sec. 39. DIRECTION TO COMMISSIONER; BI AND CADI WAIVER**  
 526.14 **CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN**  
 526.15 **COUNTY.**

526.16 (a) The commissioner of human services shall allow a housing with services establishment  
 526.17 located in Minneapolis that provides customized living and 24-hour customized living  
 526.18 services for clients enrolled in the brain injury (BI) or community access for disability  
 526.19 inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer  
 526.20 service capacity of up to 66 clients to no more than three new housing with services  
 526.21 establishments located in Hennepin County.

526.22 (b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall  
 526.23 determine whether the new housing with services establishments described under paragraph  
 526.24 (a) meet the BI and CADI waiver customized living and 24-hour customized living size  
 526.25 limitation exception for clients receiving those services at the new housing with services  
 526.26 establishments described under paragraph (a).

526.27 **Sec. 40. DIRECTION TO COMMISSIONER.**

526.28 (a) The commissioner of human services must ensure that the MnCHOICES 2.0  
 526.29 assessment and support planning tool incorporates a qualitative approach with open-ended  
 526.30 questions and a conversational, culturally sensitive approach to interviewing that captures  
 526.31 the assessor's professional judgment based on the person's responses.



528.1	<u>Health Care Access</u>		
528.2	<u>Fund</u>	<u>7,620,000</u>	<u>9,258,000</u>
528.3	<u>Federal TANF</u>	<u>(6,500,000)</u>	<u>5,914,000</u>
528.4	<u>Subd. 2. Forecasted Programs</u>		
528.5	<u>(a) MFIP/DWP</u>		
528.6	<u>Appropriations by Fund</u>		
528.7	<u>General Fund</u>	<u>(3,749,000)</u>	<u>(11,267,000)</u>
528.8	<u>Federal TANF</u>	<u>(7,418,000)</u>	<u>4,565,000</u>
528.9	<u>(b) MFIP Child Care Assistance</u>		<u>(7,995,000)</u> <u>(521,000)</u>
528.10	<u>(c) General Assistance</u>		<u>(4,850,000)</u> <u>(3,770,000)</u>
528.11	<u>(d) Minnesota Supplemental Aid</u>		<u>(1,179,000)</u> <u>(821,000)</u>
528.12	<u>(e) Housing Support</u>		<u>(3,260,000)</u> <u>(3,038,000)</u>
528.13	<u>(f) Northstar Care for Children</u>		<u>(5,168,000)</u> <u>(6,458,000)</u>
528.14	<u>(g) MinnesotaCare</u>		<u>7,620,000</u> <u>9,258,000</u>
528.15	<u>These appropriations are from the health care</u>		
528.16	<u>access fund.</u>		
528.17	<u>(h) Medical Assistance</u>		
528.18	<u>Appropriations by Fund</u>		
528.19	<u>General Fund</u>	<u>(199,817,000)</u>	<u>(106,124,000)</u>
528.20	<u>Health Care Access</u>		
528.21	<u>Fund</u>	<u>-0-</u>	<u>-0-</u>
528.22	<u>(i) Alternative Care Program</u>		<u>-0-</u> <u>-0-</u>
528.23	<u>(j) CCDTF Entitlements</u>		<u>15,935,000</u> <u>28,464,000</u>
528.24	<u>Subd. 3. Technical Activities</u>		<u>918,000</u> <u>1,349,000</u>
528.25	<u>These appropriations are from the federal</u>		
528.26	<u>TANF fund.</u>		
528.27	<u><b>EFFECTIVE DATE.</b> This section is effective June 1, 2018.</u>		

## ARTICLE 32

### APPROPRIATIONS

#### 528.30 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.

528.31 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
528.32 parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter



530.1	<b><u>Child Welfare Training.</u></b> \$1,933,000 in fiscal		
530.2	<u>year 2019 is for initial costs for the child</u>		
530.3	<u>welfare training in Minnesota Statutes, section</u>		
530.4	<u>260C.81. No money from this appropriation</u>		
530.5	<u>may be used for indirect costs by an entity</u>		
530.6	<u>under contract to implement Minnesota</u>		
530.7	<u>Statutes, section 260C.81. This is a onetime</u>		
530.8	<u>appropriation and is available until June 30,</u>		
530.9	<u>2021.</u>		
530.10	<b><u>Subd. 4. Central Office; Health Care</u></b>	<u>-0-</u>	<u>1,024,000</u>
530.11	<b><u>Base Level Adjustment.</u></b> The general fund		
530.12	<u>base is increased by \$1,507,000 in fiscal year</u>		
530.13	<u>2020 and increased by \$1,513,000 in fiscal</u>		
530.14	<u>year 2021.</u>		
530.15	<b><u>Subd. 5. Central Office; Continuing Care for</u></b>		
530.16	<b><u>Older Adults</u></b>	<u>-0-</u>	<u>418,000</u>
530.17	<b><u>Base Level Adjustment.</u></b> The general fund		
530.18	<u>base is increased by \$425,000 in fiscal year</u>		
530.19	<u>2020 and increased by \$425,000 in fiscal year</u>		
530.20	<u>2021.</u>		
530.21	<b><u>Subd. 6. Central Office; Community Supports</u></b>	<u>-0-</u>	<u>3,942,000</u>
530.22	<b><u>Base Level Adjustment.</u></b> The general fund		
530.23	<u>base is increased by \$3,968,000 in fiscal year</u>		
530.24	<u>2020 and increased by \$3,968,000 in fiscal</u>		
530.25	<u>year 2021.</u>		
530.26	<b><u>Subd. 7. Forecasted Programs; Medical</u></b>		
530.27	<b><u>Assistance</u></b>	<u>-0-</u>	<u>26,670,000</u>
530.28	<b><u>Subd. 8. Forecasted Programs; Alternative Care</u></b>	<u>-0-</u>	<u>(28,000)</u>
530.29	<b><u>Subd. 9. Forecasted Programs; Chemical</u></b>		
530.30	<b><u>Dependency Treatment Fund</u></b>	<u>-0-</u>	<u>(14,243,000)</u>
530.31	<b><u>Subd. 10. Grant Programs; Children's Services</u></b>		
530.32	<b><u>Grants</u></b>	<u>-0-</u>	<u>365,000</u>
530.33	<b><u>American Indian Child Welfare Initiative.</u></b>		
530.34	<u>\$365,000 in fiscal year 2019 is for planning</u>		
530.35	<u>efforts to expand the American Indian Child</u>		

531.1 Welfare Initiative authorized under Minnesota  
531.2 Statutes, section 256.01, subdivision 14b. Of  
531.3 this appropriation, \$240,000 is for grants to  
531.4 the Mille Lacs Band of Ojibwe and \$125,000  
531.5 is for grants to the Red Lake Nation. This is  
531.6 a onetime appropriation.

531.7 **Subd. 11. Adult Mental Health Grants**

531.8 **Peer-Run Respite Services in Todd County.**

531.9 On June 1, 2018, any unexpended balance  
531.10 from the appropriation in Laws 2017, First  
531.11 Special Session chapter 6, article 18, section  
531.12 2, subdivision 30, paragraph (a), is canceled.  
531.13 In fiscal year 2018, the unexpended balance  
531.14 in the general fund from this law is for Todd  
531.15 County for the planning and development of  
531.16 a peer-run respite center for individuals  
531.17 experiencing mental health conditions or  
531.18 co-occurring substance abuse disorder. This  
531.19 is a onetime appropriation and is available  
531.20 until June 30, 2021. The grant is contingent  
531.21 on Todd County providing to the  
531.22 commissioner of human services a plan to  
531.23 fund, operate, and sustain the program and  
531.24 services after the onetime state grant is  
531.25 expended. Todd County must outline the  
531.26 proposed funding stream or mechanism, and  
531.27 any necessary local funding commitment,  
531.28 which will ensure the program will result in a  
531.29 sustainable program. The funding stream may  
531.30 include state funding for programs and  
531.31 services for which the individuals served under  
531.32 this paragraph may be eligible. The  
531.33 commissioner of human services, in  
531.34 collaboration with Todd County, may explore  
531.35 a plan for continued funding using existing  
531.36 appropriations through eligibility for group

532.1 residential housing under Minnesota Statutes,  
 532.2 chapter 256I.

532.3 The peer-run respite center must:

532.4 (1) admit individuals who are in need of peer  
 532.5 support and supportive services while  
 532.6 addressing an increase in symptoms or  
 532.7 stressors or exacerbation of their mental health  
 532.8 or substance abuse;

532.9 (2) admit individuals to reside at the center on  
 532.10 a short-term basis, no longer than five days;

532.11 (3) be operated by a nonprofit organization;

532.12 (4) employ individuals who have personal  
 532.13 experience with mental health or co-occurring  
 532.14 substance abuse conditions who meet the  
 532.15 qualifications of a mental health certified peer  
 532.16 specialist under Minnesota Statutes, section  
 532.17 256B.0615, or a recovery peer;

532.18 (5) provide at least three but no more than six  
 532.19 beds in private rooms; and

532.20 (6) not provide clinical services.

532.21 By November 1, 2018, the commissioner of  
 532.22 human services, in consultation with Todd  
 532.23 County, shall report to the committees in the  
 532.24 senate and house of representatives with  
 532.25 jurisdiction over mental health issues, the  
 532.26 status of planning and development of the  
 532.27 peer-run respite center, and the plan to  
 532.28 financially support the program and services  
 532.29 after the state grant is expended.

532.30 **Subd. 12. Grant Programs; Child Mental Health**  
 532.31 **Grants**

-0-

4,777,000

532.32 **(a) School-Linked Mental Health Services**  
 532.33 **by Telemedicine. \$4,777,000 in fiscal year**



- 534.1 **(b) Low-Value Health Services Study.**  
534.2 \$389,000 in fiscal year 2019 is for the  
534.3 low-value health services study in article 23,  
534.4 section 16. The base for this appropriation is  
534.5 \$106,000 in fiscal year 2020.
- 534.6 **(c) Statewide Tobacco Cessation Services.**  
534.7 \$291,000 in fiscal year 2019 is appropriated  
534.8 from the health care access fund for statewide  
534.9 tobacco cessation services under Minnesota  
534.10 Statutes, section 144.397. The base for this  
534.11 appropriation is \$1,550,000 in fiscal year  
534.12 2020, and \$2,955,000 in fiscal year 2021.
- 534.13 **(d) Reduction of Statewide Health**  
534.14 **Improvement Program Appropriation. The**  
534.15 **appropriation in Laws 2017, First Special**  
534.16 **Session chapter 6, article 18, section 3,**  
534.17 **subdivision 2, from the health care access fund**  
534.18 **for the statewide health improvement program**  
534.19 **under Minnesota Statutes, section 145.986, is**  
534.20 **reduced by \$291,000 in fiscal year 2019. The**  
534.21 **base for this reduction is \$1,550,000 in fiscal**  
534.22 **year 2020, and \$2,955,000 in fiscal year 2021.**
- 534.23 **(e) Additional Funding for Opioid**  
534.24 **Prevention Pilot Projects. \$2,000,000 in**  
534.25 **fiscal year 2019 is appropriated for opioid**  
534.26 **abuse prevention pilot projects under Laws**  
534.27 **2017, First Special Session chapter 6, article**  
534.28 **10, section 144. Of this amount, \$1,400,000**  
534.29 **is for the opioid abuse prevention pilot project**  
534.30 **through CHI St. Gabriel's Health Family**  
534.31 **Medical Center, also known as Unity Family**  
534.32 **Health Care. \$600,000 is for Project Echo**  
534.33 **through CHI St. Gabriel's Health Family**  
534.34 **Medical Center for e-learning sessions**  
534.35 **centered around opioid case management and**

- 535.1 best practices for opioid abuse prevention.
- 535.2 This is a onetime appropriation.
- 535.3 **(f) Medical Cannabis.** \$1,259,000 in fiscal
- 535.4 year 2019 is from the state government special
- 535.5 revenue fund for administration of the medical
- 535.6 cannabis program. The base for this
- 535.7 appropriation is \$1,759,000 in fiscal year 2020
- 535.8 and \$2,259,000 in fiscal year 2021.
- 535.9 **(g) Voice Response Suicide Prevention and**
- 535.10 **Mental Health Crisis Response Program.**
- 535.11 \$100,000 in fiscal year 2019 is from the
- 535.12 general fund for a grant to a Minnesota
- 535.13 nonprofit that is experienced in and currently
- 535.14 providing voice response mental health crisis
- 535.15 services and is Minnesota's provider of the
- 535.16 National Suicide Prevention Lifeline. The
- 535.17 grant is to continue providing free and
- 535.18 confidential emotional support to people in
- 535.19 suicidal crisis or emotional distress 24 hours
- 535.20 a day, seven days a week. This is a onetime
- 535.21 appropriation.
- 535.22 **(h) Base Level Adjustments.** The general
- 535.23 fund base is increased by \$106,000 in fiscal
- 535.24 year 2020. The state government special
- 535.25 revenue fund base is increased by \$1,759,000
- 535.26 in fiscal year 2020 and increased by
- 535.27 \$2,259,000 in fiscal year 2021.
- 535.28 Subd. 3. **Health Protection**
- 535.29 Appropriations by Fund
- |                                |            |                  |
|--------------------------------|------------|------------------|
| 535.30 <u>General</u>          | <u>-0-</u> | <u>3,040,000</u> |
| 535.31 <u>State Government</u> |            |                  |
| 535.32 <u>Special Revenue</u>  | <u>-0-</u> | <u>25,000</u>    |
- 535.33 **(a) Regulation of Low-Dose X-Ray Security**
- 535.34 **Screening Systems.** \$29,000 in fiscal year
- 535.35 2019 is from the state government special



537.1 appropriation is \$405,000 in fiscal year 2020  
 537.2 and \$410,000 in fiscal year 2021.

537.3 **(b) Base Level Adjustment.** The base is  
 537.4 increased by \$405,000 in fiscal year 2020 and  
 537.5 is increased by \$410,000 in fiscal year 2021.

537.6 Sec. 6. **TRANSFERS.**

537.7 By June 30, 2019, the commissioner of management and budget shall transfer \$3,174,000  
 537.8 from the general fund to the health care access fund. Notwithstanding section 7, by June  
 537.9 30, 2020, the commissioner of management and budget shall transfer \$3,174,000 from the  
 537.10 health care access fund to the general fund. These are onetime transfers.

537.11 By June 30, 2018, the commissioner of management and budget shall transfer  
 537.12 \$14,000,000 from the systems operations account in the special revenue fund to the general  
 537.13 fund. This is a onetime transfer.

537.14 **EFFECTIVE DATE.** This section is effective June 1, 2018.

537.15 Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

537.16 All uncodified language contained in this article expires on June 30, 2019, unless a  
 537.17 different expiration date is specified.

537.18 Sec. 8. **EFFECTIVE DATE.**

537.19 This article is effective July 1, 2018, unless a different effective date is specified.

## 537.20 **ARTICLE 33**

### 537.21 **SCHOOL SAFETY**

537.22 Section 1. Minnesota Statutes 2016, section 123B.61, is amended to read:

#### 537.23 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

537.24 (a) The board of a district may issue general obligation certificates of indebtedness or  
 537.25 capital notes subject to the district debt limits to:

537.26 (a) (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy  
 537.27 and office equipment, technological equipment for instruction, public announcement systems,  
 537.28 emergency communications devices, other equipment related to violence prevention and

538.1 facility security, and other capital equipment having an expected useful life at least as long  
538.2 as the terms of the certificates or notes;

538.3 ~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful  
538.4 life, whether bundled with machinery or equipment or unbundled, together with application  
538.5 development services and training related to the use of the computer; and

538.6 ~~(e)~~ (3) prepay special assessments.

538.7 (b) The certificates or notes must be payable in not more than ten years and must be  
538.8 issued on the terms and in the manner determined by the board, except that certificates or  
538.9 notes issued to prepay special assessments must be payable in not more than 20 years. The  
538.10 certificates or notes may be issued by resolution and without the requirement for an election.  
538.11 The certificates or notes are general obligation bonds for purposes of section 126C.55.

538.12 (c) A tax levy must be made for the payment of the principal and interest on the  
538.13 certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum  
538.14 of the tax levies under this section and section 123B.62 for each year must not exceed the  
538.15 lesser of the sum of the amount of the district's total operating capital revenue and safe  
538.16 schools revenue or the sum of the district's levy in the general and community service funds  
538.17 excluding the adjustments under this section for the year preceding the year the initial debt  
538.18 service levies are certified.

538.19 (d) The district's general fund levy for each year must be reduced by the sum of:

538.20 (1) the amount of the tax levies for debt service certified for each year for payment of  
538.21 the principal and interest on the certificates or notes issued under this section as required  
538.22 by section 475.61<sub>2</sub>;

538.23 (2) the amount of the tax levies for debt service certified for each year for payment of  
538.24 the principal and interest on bonds issued under section 123B.62<sub>2</sub>; and

538.25 (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or  
538.26 notes issued under this section or section 123B.62 after April 1, 1997, other than amounts  
538.27 used to pay capitalized interest.

538.28 (e) If the district's general fund levy is less than the amount of the reduction, the balance  
538.29 shall be deducted first from the district's community service fund levy, and next from the  
538.30 district's general fund or community service fund levies for the following year.

538.31 (f) A district using an excess amount in the debt redemption fund to retire the certificates  
538.32 or notes shall report the amount used for this purpose to the commissioner by July 15 of the  
538.33 following fiscal year. A district having an outstanding capital loan under section 126C.69

539.1 or an outstanding debt service loan under section 126C.68 must not use an excess amount  
539.2 in the debt redemption fund to retire the certificates or notes.

539.3 **EFFECTIVE DATE.** This section is effective July 1, 2018.

539.4 Sec. 2. Minnesota Statutes 2016, section 126C.44, is amended to read:

539.5 **126C.44 SAFE SCHOOLS LEVY REVENUE.**

539.6 Subdivision 1. **Safe schools revenue.** (a) Each district may make a levy on all taxable  
539.7 property located within the district for the purposes specified in this section. The maximum  
539.8 amount which may be levied for all costs under this section shall be equal to \$36 multiplied  
539.9 by the district's adjusted pupil units for the school year. For fiscal year 2019 and later, safe  
539.10 schools revenue for a school district equals the sum of its safe schools levy and its safe  
539.11 schools aid.

539.12 Subd. 2. **Safe schools levy.** (a) For fiscal year 2019 and later, a district's safe schools  
539.13 levy equals the sum of its initial safe schools levy and its cooperative safe schools levy.

539.14 (b) For fiscal year 2019 and later, the initial safe schools levy for a district equals \$36  
539.15 times the district's adjusted pupil units for the school year.

539.16 (c) For fiscal year 2019 and later, the cooperative safe schools levy for a school district  
539.17 that is a member of an intermediate school district equals \$15 times the district's adjusted  
539.18 pupil units for the school year.

539.19 Subd. 3. **Safe schools aid.** (a) For fiscal year 2019 and later, a district's safe schools aid  
539.20 equals the sum of its initial safe schools aid and its cooperative safe schools aid.

539.21 (b) For fiscal year 2019 and later, the initial safe schools aid for a district equals the  
539.22 greater of (1) \$25,000 minus the permitted levy under subdivision 2, paragraph (b), or (2)  
539.23 \$3.65 times the district's adjusted pupil units for the school year.

539.24 (c) For fiscal year 2019 only, the cooperative safe schools aid for a school district that  
539.25 is a member of a cooperative unit other than an intermediate district that enrolls students  
539.26 equals \$7.50 times the district's adjusted pupil units for the school year.

539.27 Subd. 3a. **Intermediate district and cooperative unit revenue transfer.** Revenue  
539.28 raised under subdivision 2, paragraph (c), and subdivision 3, paragraph (c), must be  
539.29 transferred to the intermediate school district or other cooperative unit of which the district  
539.30 is a member and used only for costs associated with safe schools activities authorized under  
539.31 subdivision 5, paragraph (a), clauses (1) to (10). If the district is a member of more than

540.1 one cooperative unit that enrolls students, the revenue must be allocated among the  
540.2 cooperative units.

540.3 Subd. 4. **Safe schools revenue for a charter school.** (a) For fiscal year 2019 and later,  
540.4 safe schools revenue for a charter school equals \$3.65 times the adjusted pupil units for the  
540.5 school year.

540.6 (b) The revenue must be reserved and used only for costs associated with safe schools  
540.7 activities authorized under subdivision 5, paragraph (a), clauses (1) to (10), or for building  
540.8 lease expenses not funded by charter school building lease aid that are attributable to facility  
540.9 security enhancements made by the landlord after March 1, 2018.

540.10 Subd. 4a. **Fiscal year 2019 additional safe schools revenue.** (a) For fiscal year 2019  
540.11 only, safe schools aid for a school district under subdivision 3 is increased by an amount  
540.12 equal to \$16.23 times the district's adjusted pupil units for the school year.

540.13 (b) For fiscal year 2019 only, safe schools revenue for a charter school under subdivision  
540.14 4 is increased by an amount equal to \$16.23 times the charter school's adjusted pupil units  
540.15 for the school year.

540.16 Subd. 5. **Uses of safe schools revenue.** The ~~proceeds of the levy~~ revenue must be reserved

540.17 and used for directly funding the following purposes or for reimbursing the cities and

540.18 counties who contract with the district for the following purposes:

540.19 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace

540.20 officers and sheriffs for liaison in services in the district's schools;

540.21 (2) to pay the costs for a drug abuse prevention program as defined in section 609.101,

540.22 subdivision 3, paragraph (e), in the elementary schools;

540.23 (3) to pay the costs for a gang resistance education training curriculum in the district's

540.24 schools;

540.25 (4) to pay the costs for security in the district's schools and on school property;

540.26 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,

540.27 voluntary opt-in suicide prevention tools, and violence prevention measures taken by the

540.28 school district;

540.29 (6) to pay costs for licensed school counselors, licensed school nurses, licensed school

540.30 social workers, licensed school psychologists, and licensed alcohol and chemical dependency

540.31 counselors to help provide early responses to problems;

541.1 (7) to pay for facility security enhancements including laminated glass, public  
 541.2 announcement systems, emergency communications devices, and equipment and facility  
 541.3 modifications related to violence prevention and facility security;

541.4 (8) to pay for costs associated with improving the school climate; ~~or~~

541.5 (9) to pay costs for collocating and collaborating with mental health ~~professionals~~  
 541.6 providers who are not district employees or contractors or to purchase equipment, connection  
 541.7 charges, set-up fees, and site fees in order to deliver mental health services via telemedicine  
 541.8 in school;

541.9 (10) to pay the costs of enhancing cybersecurity in the district's information systems; or

541.10 (11) by board resolution, to transfer money into the debt redemption fund to pay the  
 541.11 amounts needed to meet, when due, principal and interest payments on obligations issued  
 541.12 under sections 123B.61 and 123B.62 for purposes included in clause (7).

541.13 (b) For expenditures under paragraph (a), clause (1), the district must initially attempt  
 541.14 to contract for services to be provided by peace officers or sheriffs with the police department  
 541.15 of each city or the sheriff's department of the county within the district containing the school  
 541.16 receiving the services. If a local police department or a county sheriff's department does  
 541.17 not wish to provide the necessary services, the district may contract for these services with  
 541.18 any other police or sheriff's department located entirely or partially within the school district's  
 541.19 boundaries.

541.20 ~~(c) A school district that is a member of an intermediate school district may include in~~  
 541.21 ~~its authority under this section the costs associated with safe schools activities authorized~~  
 541.22 ~~under paragraph (a) for intermediate school district programs. This authority must not exceed~~  
 541.23 ~~\$15 times the adjusted pupil units of the member districts. This authority is in addition to~~  
 541.24 ~~any other authority authorized under this section. Revenue raised under this paragraph must~~  
 541.25 ~~be transferred to the intermediate school district. Notwithstanding paragraph (a), safe schools~~  
 541.26 aid for a school district and safe schools revenue for a charter school must not be used for  
 541.27 the purpose under paragraph (a), clause (8).

541.28 Subd. 6. Report. By January 15 of each year, the commissioner of education must deliver  
 541.29 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 541.30 over kindergarten through grade 12 education a report detailing district-level expenditures  
 541.31 of safe schools revenue for the prior fiscal year for each of the authorized purposes under  
 541.32 subdivision 5.

541.33 EFFECTIVE DATE. This section is effective for revenue in fiscal year 2019 and later.

542.1 Sec. 3. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 34,  
542.2 is amended to read:

542.3 Subd. 34. **Sanneh Foundation.** (a) For a grant to the Sanneh Foundation to provide  
542.4 all-day, in-school, and before- and after-school academic and behavioral interventions for  
542.5 low-performing and chronically absent students with a focus on low-income students and  
542.6 students of color throughout the school year and during the summer to decrease absenteeism,  
542.7 encourage school engagement, and improve grades and graduation rates.

542.8 \$ 1,000,000 ..... 2018

542.9 \$ 250,000 ..... 2019

542.10 (b) Funds appropriated ~~in this section~~ for fiscal year 2018 must be used to establish and  
542.11 provide services in schools where the Sanneh Foundation does not currently operate, and  
542.12 must not be used for programs operating in schools as of June 30, 2017. Funds appropriated  
542.13 for fiscal year 2019 may be used to provide services under paragraph (a) in any school.

542.14 (c) This is a onetime appropriation. Any balance in the first year does not cancel but is  
542.15 available in the second year.

542.16 Sec. 4. **TRANSFER OF UNSPENT CONSOLIDATION TRANSITION AID FOR**  
542.17 **INCENTIVE GRANTS FOR CHARACTER DEVELOPMENT EDUCATION.**

542.18 Notwithstanding Minnesota Statutes, section 123A.485, if no school district is eligible  
542.19 for a consolidation transition aid entitlement for fiscal year 2019, the consolidation transition  
542.20 aid appropriation for fiscal year 2019 in article 41, section 2 is transferred to the  
542.21 commissioner of education for additional incentive grants for character development  
542.22 education under article 33, section 5, subdivision 3. This is a onetime transfer for fiscal year  
542.23 2019 only.

542.24 **EFFECTIVE DATE.** This section is effective June 30, 2018.

542.25 Sec. 5. **APPROPRIATION.**

542.26 Subdivision 1. **Department of Education.** The sums indicated in this section are  
542.27 appropriated from the general fund to the Department of Education for the fiscal year  
542.28 designated.

542.29 Subd. 2. **Safe schools revenue.** For safe schools revenue under Minnesota Statutes,  
542.30 section 126C.44, subdivision 1:

542.31 \$ 19,814,000 ..... 2019

543.1 The 2019 appropriation includes \$0 for 2018 and \$19,814,000 for 2019.

543.2 Subd. 3. **Incentive grants for character development education.** (a) For incentive  
 543.3 grants to public schools and charter schools that offer the Congressional Medal of Honor  
 543.4 character development program:

543.5     \$        455,000    .....  2019

543.6 (b) The commissioner must award grants to public schools and charter schools that  
 543.7 demonstrate use of the Congressional Medal of Honor character development program. The  
 543.8 commissioner must allocate the appropriation proportionally among the public schools and  
 543.9 charter schools that apply, not to exceed \$5,000 per school per fiscal year. If the entire  
 543.10 appropriation is not expended in fiscal year 2019, the commissioner must award additional  
 543.11 grants in fiscal years 2020 and 2021. The grant award may be used for any school-related  
 543.12 purpose consistent with Minnesota Statutes, section 120B.232.

543.13 (c) This is a onetime appropriation. The appropriation is available until June 30, 2021.

543.14 Subd. 4. **Suicide prevention training for teachers.** (a) For a grant to Kognito to offer  
 543.15 evidence-based online training for teachers on suicide prevention and engaging students  
 543.16 experiencing mental distress:

543.17     \$        273,000    .....  2019

543.18 (b) Training funded under this subdivision must be accessible to teachers in every school  
 543.19 district, charter school, intermediate school district, service cooperative, and tribal school  
 543.20 in Minnesota. This is a onetime appropriation.

## 543.21 **ARTICLE 34**

### 543.22 **GENERAL EDUCATION**

543.23 Section 1. Minnesota Statutes 2016, section 124D.09, subdivision 4, is amended to read:

543.24 Subd. 4. **Alternative pupil.** (a) "Alternative pupil" means an 11th or 12th grade student  
 543.25 not enrolled in a public school district, and includes students attending nonpublic schools  
 543.26 and students who are home schooled.

543.27 (b) "Alternative pupil" includes a 10th grade student who:

543.28 (1) is not enrolled in a public school district, including a student attending a nonpublic  
 543.29 school or who is home schooled;

543.30 (2) is applying to enroll in a career or technical education course offered by a Minnesota  
 543.31 state college or university; and

544.1 (3) has received a passing score on the 8th grade Minnesota Comprehensive Assessment,  
544.2 or if the student did not take the 8th grade Minnesota Comprehensive Assessment in reading,  
544.3 another reading assessment accepted by the enrolling postsecondary institution.

544.4 The alternative 10th grade pupil's enrollment in courses is subject to the same conditions  
544.5 and restrictions as applies to all other 10th grade students under this section.

544.6 (c) An alternative pupil is considered a pupil for purposes of this section only. An  
544.7 alternative pupil must register with the commissioner of education before participating in  
544.8 the postsecondary enrollment options program. The commissioner shall prescribe the form  
544.9 and manner of the registration, in consultation with the Nonpublic Education Council under  
544.10 section 123B.445, and may request any necessary information from the alternative pupil.

544.11 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 and later.

544.12 Sec. 2. Minnesota Statutes 2016, section 124D.09, subdivision 22, is amended to read:

544.13 Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course for  
544.14 secondary credit may apply to the pupil's district of residence for reimbursement for  
544.15 transporting the pupil between the secondary school in which the pupil is enrolled or the  
544.16 pupil's home and the postsecondary institution that the pupil attends. The state shall provide  
544.17 state aid to a district in an amount sufficient to reimburse the parent or guardian for the  
544.18 necessary transportation costs when the family's or guardian's income is at or below the  
544.19 poverty level, as determined by the federal government. The reimbursement shall be the  
544.20 pupil's actual cost of transportation or ~~15 cents~~ the United States Internal Revenue Service  
544.21 business standard mileage rate per mile traveled, whichever is less. Reimbursement may  
544.22 not be paid for more than 250 miles per week. However, if the nearest postsecondary  
544.23 institution is more than 25 miles from the pupil's resident secondary school, the weekly  
544.24 reimbursement may not exceed the reimbursement rate per mile times the actual distance  
544.25 between the secondary school or the pupil's home and the nearest postsecondary institution  
544.26 times ten. The state must pay aid to the district according to this subdivision.

544.27 (b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit  
544.28 may apply to the pupil's postsecondary institution for reimbursement for transporting the  
544.29 pupil between the secondary school in which the pupil is enrolled or the pupil's home and  
544.30 the postsecondary institution in an amount sufficient to reimburse the parent or guardian  
544.31 for the necessary transportation costs when the family's or guardian's income is at or below  
544.32 the poverty level, as determined by the federal government. The amount of the reimbursement  
544.33 shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution  
544.34 according to this subdivision.

545.1 (c) "Necessary transportation costs" under this subdivision includes the costs of  
545.2 transportation in a private vehicle, bus, taxi, or other shared vehicle.

545.3 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 and later.

545.4 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.68, subdivision 2, is amended  
545.5 to read:

545.6 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the requirements  
545.7 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation  
545.8 incentives program, if the pupil:

545.9 (1) performs substantially below the performance level for pupils of the same age in a  
545.10 locally determined achievement test;

545.11 (2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

545.12 (3) is pregnant or is a parent;

545.13 (4) has been assessed as chemically dependent;

545.14 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

545.15 (6) has been referred by a school district for enrollment in an eligible program or a  
545.16 program pursuant to section 124D.69;

545.17 (7) is a victim of physical or sexual abuse;

545.18 (8) has experienced mental health problems;

545.19 (9) has experienced homelessness sometime within six months before requesting a  
545.20 transfer to an eligible program;

545.21 (10) speaks English as a second language or is an English learner; or

545.22 (11) has withdrawn from school or has been chronically truant; or

545.23 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or  
545.24 other life threatening illness or is the sibling of an eligible pupil who is being currently  
545.25 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary  
545.26 of the seven-county metropolitan area.

545.27 (b) For fiscal ~~years 2017 and 2018~~ year 2019 only, a pupil otherwise qualifying under  
545.28 paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English learner  
545.29 with an interrupted formal education according to section 124D.59, subdivision 2a, and was  
545.30 in an early middle college program during the previous school year is eligible to participate

546.1 in the graduation incentives program under section 124D.68 and in concurrent enrollment  
546.2 courses offered under section 124D.09, subdivision 10, and is funded in the same manner  
546.3 as other pupils under this section.

546.4 **EFFECTIVE DATE.** This section is effective July 1, 2018.

546.5 Sec. 4. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

546.6 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a  
546.7 charter school as though it were a district. The general education revenue for each adjusted  
546.8 pupil unit is the state average general education revenue per pupil unit, plus the referendum  
546.9 equalization aid allowance and first tier local optional aid allowance in the pupil's district  
546.10 of residence, minus an amount equal to the product of the formula allowance according to  
546.11 section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,  
546.12 local optional revenue, basic skills revenue, extended time revenue, pension adjustment  
546.13 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
546.14 revenue, basic skills revenue, pension adjustment revenue, and transition revenue as though  
546.15 the school were a school district.

546.16 (b) For a charter school operating an extended day, extended week, or summer program,  
546.17 the general education revenue in paragraph (a) is increased by an amount equal to 25 percent  
546.18 of the statewide average extended time revenue per adjusted pupil unit.

546.19 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special  
546.20 education charter school as defined in section 124E.21, subdivision 2, equals the sum of  
546.21 the amount determined under paragraph (a) and the school's unreimbursed cost as defined  
546.22 in section 124E.21, subdivision 2, for educating students not eligible for special education  
546.23 services.

546.24 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2020 and later.

546.25 Sec. 5. Minnesota Statutes 2016, section 126C.10, subdivision 2e, is amended to read:

546.26 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2019, local optional revenue for  
546.27 a school district equals \$424 times the adjusted pupil units of the district for that school  
546.28 year. For fiscal year 2020 and later, local optional revenue for a school district equals the  
546.29 sum of the district's first tier local optional revenue and second tier local optional revenue.  
546.30 A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the  
546.31 district for that school year. A district's second tier local optional revenue equals \$424 times  
546.32 the adjusted pupil units of the district for that school year.

547.1 (b) For fiscal year 2019, a district's local optional levy equals its local optional revenue  
 547.2 times the lesser of one or the ratio of its referendum market value per resident pupil unit to  
 547.3 \$510,000. For fiscal year 2020 and later, a district's local optional levy equals the sum of  
 547.4 the first tier local optional levy and the second tier local optional levy. A district's first tier  
 547.5 local optional levy equals the district's first tier local optional revenue times the lesser of  
 547.6 one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.  
 547.7 A district's second tier local optional levy equals the district's second tier local optional  
 547.8 revenue times the lesser of one or the ratio of the district's referendum market value per  
 547.9 resident pupil unit to \$510,000. The local optional revenue levy must be spread on referendum  
 547.10 market value. A district may levy less than the permitted amount.

547.11 (c) A district's local optional aid equals its local optional revenue less its local optional  
 547.12 ~~levy, times the ratio of the actual amount levied to the permitted levy.~~ If a district's actual  
 547.13 levy for first or second tier local optional revenue is less than its maximum levy limit for  
 547.14 that tier, aid shall be proportionately reduced.

547.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

547.16 Sec. 6. Minnesota Statutes 2016, section 126C.10, subdivision 24, is amended to read:

547.17 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

547.18 (1) the school district's adjusted pupil unit amount of basic revenue, transition revenue,  
 547.19 first tier local optional revenue, and referendum revenue is less than the value of the school  
 547.20 district at or immediately above the 95th percentile of school districts in its equity region  
 547.21 for those revenue categories; and

547.22 (2) the school district's administrative offices are not located in a city of the first class  
 547.23 on July 1, 1999.

547.24 (b) ~~Equity revenue for a qualifying district that receives referendum revenue under~~  
 547.25 ~~section 126C.17, subdivision 4,~~ equals the product of (1) the district's adjusted pupil units  
 547.26 for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity  
 547.27 index computed under subdivision 27.

547.28 (e) ~~Equity revenue for a qualifying district that does not receive referendum revenue~~  
 547.29 ~~under section 126C.17, subdivision 4,~~ equals the product of the district's adjusted pupil units  
 547.30 ~~for that year times \$14.~~

547.31 ~~(d)~~ (c) A school district's equity revenue is increased by the greater of zero or an amount  
 547.32 equal to the district's adjusted pupil units times the difference between ten percent of the  
 547.33 statewide average amount of referendum revenue and first tier local optional revenue per

548.1 adjusted pupil unit for that year and the sum of the district's referendum revenue and first  
 548.2 tier local optional revenue per adjusted pupil unit. A school district's revenue under this  
 548.3 paragraph must not exceed \$100,000 for that year.

548.4 ~~(e)~~ (d) A school district's equity revenue for a school district located in the metro equity  
 548.5 region equals the amount computed in paragraphs (b); and (c); ~~and (d)~~ multiplied by 1.25.

548.6 ~~(f)~~ (e) For fiscal years 2017, 2018, and 2019 for a school district not included in paragraph  
 548.7 ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs (b); and (c);  
 548.8 ~~and (d)~~ multiplied by 1.16. For fiscal year 2020 and later for a school district not included  
 548.9 in paragraph ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs  
 548.10 (b); and (c); ~~and (d)~~ multiplied by 1.25.

548.11 ~~(g)~~ (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
 548.12 units.

548.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

548.14 Sec. 7. Minnesota Statutes 2016, section 126C.17, subdivision 1, is amended to read:

548.15 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for  
 548.16 fiscal year 2020 and later equals the result of the following calculations:

548.17 ~~(1) multiply the referendum allowance the district would have received for fiscal year~~  
 548.18 ~~2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections~~  
 548.19 ~~held before July 1, 2013, by the resident marginal cost pupil units the district would have~~  
 548.20 ~~counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;~~

548.21 ~~(2) add to the result of clause (1) the adjustment the district would have received under~~  
 548.22 ~~Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based~~  
 548.23 ~~on elections held before July 1, 2013;~~

548.24 ~~(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year~~  
 548.25 ~~2015;~~

548.26 ~~(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil~~  
 548.27 ~~unit authorized by elections held between July 1, 2013, and December 31, 2013;~~

548.28 ~~(5) add to the result in clause (4) any additional referendum allowance resulting from~~  
 548.29 ~~inflation adjustments approved by the voters prior to January 1, 2014;~~

548.30 ~~(6) subtract from the result of clause (5), the sum of a district's actual local optional levy~~  
 548.31 ~~and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil~~  
 548.32 ~~units of the district for that school year; and~~

549.1 (1) subtract \$424 from the district's allowance under Minnesota Statutes 2016, section  
 549.2 126C.17, subdivision 1, paragraph (a), clause (5);

549.3 (2) if the result of clause (1) is less than zero, set the allowance to zero;

549.4 (3) add to the result in clause (2) any new referendum allowance authorized between  
 549.5 July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17,  
 549.6 subdivision 9a;

549.7 (4) add to the result in clause (3) any additional referendum allowance per adjusted pupil  
 549.8 unit authorized between January 1, 2014, and June 30, 2018;

549.9 (5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016,  
 549.10 2017, 2018, or 2019;

549.11 (6) subtract \$300 from the result in clause (5); and

549.12 (7) if the result of clause (6) is less than zero, set the allowance to zero.

549.13 (b) A district's referendum allowance equals the sum of the district's initial referendum  
 549.14 allowance, plus any new referendum allowance authorized ~~between July 1, 2013, and~~  
 549.15 ~~December 31, 2013, under subdivision 9a, plus any additional referendum allowance per~~  
 549.16 ~~adjusted pupil unit authorized after December 31, 2013, after July 1, 2018,~~ minus any  
 549.17 allowances expiring in fiscal year ~~2016~~ 2020 or later, plus any inflation adjustments for  
 549.18 fiscal year 2020 and later approved by the voters prior to July 1, 2018, provided that the  
 549.19 allowance may not be less than zero. ~~For a district with more than one referendum allowance~~  
 549.20 ~~for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated~~  
 549.21 ~~under paragraph (a), clause (3), must be divided into components such that the same~~  
 549.22 ~~percentage of the district's allowance expires at the same time as the old allowances would~~  
 549.23 ~~have expired under Minnesota Statutes 2012, section 126C.17.~~ For a district with more than  
 549.24 one allowance for fiscal year 2015 that expires in the same year, the reduction under  
 549.25 paragraph (a), ~~clause~~ clauses (1) and (6), to offset local optional revenue shall be made first  
 549.26 from any allowances that do not have an inflation adjustment approved by the voters.

549.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

549.28 Sec. 8. Minnesota Statutes 2016, section 126C.17, subdivision 2, is amended to read:

549.29 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal  
 549.30 year ~~2015~~ 2020 and later, a district's referendum allowance must not exceed ~~the annual~~  
 549.31 ~~inflationary increase as calculated under paragraph (b)~~ times the greatest of:

550.1 (1) ~~\$1,845~~ the product of the annual inflationary increase as calculated under paragraph  
 550.2 (b), and \$2,012.53, minus \$300;

550.3 (2) the product of the annual inflationary increase as calculated under paragraph (b),  
 550.4 and the sum of the referendum revenue the district would have received for fiscal year 2015  
 550.5 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held  
 550.6 before July 1, 2013, and the adjustment the district would have received under Minnesota  
 550.7 Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections  
 550.8 held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015,  
 550.9 minus \$300;

550.10 (3) ~~the product of the referendum allowance limit the district would have received for~~  
 550.11 ~~fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the~~  
 550.12 ~~resident marginal cost pupil units the district would have received for fiscal year 2015 under~~  
 550.13 ~~Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district~~  
 550.14 ~~would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7,~~  
 550.15 ~~paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the~~  
 550.16 ~~district's adjusted pupil units for fiscal year 2015; minus \$424 for a newly reorganized~~  
 550.17 district created on July 1, 2019, the referendum revenue authority for each reorganizing  
 550.18 district in the year preceding reorganization divided by its adjusted pupil units for the year  
 550.19 preceding reorganization, minus \$300; or

550.20 (4) for a newly reorganized district created after July 1, ~~2013~~ 2020, the referendum  
 550.21 revenue authority for each reorganizing district in the year preceding reorganization divided  
 550.22 by its adjusted pupil units for the year preceding reorganization.

550.23 (b) For purposes of this subdivision, for fiscal year ~~2016~~ 2021 and later, "inflationary  
 550.24 increase" means one plus the percentage change in the Consumer Price Index for urban  
 550.25 consumers, as prepared by the United States Bureau of Labor Standards, for the current  
 550.26 fiscal year to fiscal year ~~2015~~ 2020. ~~For fiscal year 2016 and later, for purposes of paragraph~~  
 550.27 ~~(a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the~~  
 550.28 ~~formula allowance for that year compared with the formula allowance for fiscal year 2015.~~

550.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

550.30 Sec. 9. Minnesota Statutes 2016, section 126C.17, subdivision 5, is amended to read:

550.31 Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization  
 550.32 revenue equals the sum of the first tier referendum equalization revenue and the second tier  
 550.33 referendum equalization revenue, ~~and the third tier referendum equalization revenue.~~

551.1 (b) A district's first tier referendum equalization revenue equals the district's first tier  
551.2 referendum equalization allowance times the district's adjusted pupil units for that year.

551.3 (c) A district's first tier referendum equalization allowance equals the lesser of the  
551.4 district's referendum allowance under subdivision 1 or ~~\$300~~ \$460.

551.5 (d) A district's second tier referendum equalization revenue equals the district's second  
551.6 tier referendum equalization allowance times the district's adjusted pupil units for that year.

551.7 (e) A district's second tier referendum equalization allowance equals the lesser of the  
551.8 district's referendum allowance under subdivision 1 or ~~\$760, minus the district's first tier~~  
551.9 ~~referendum equalization allowance.~~

551.10 ~~(f) A district's third tier referendum equalization revenue equals the district's third tier~~  
551.11 ~~referendum equalization allowance times the district's adjusted pupil units for that year.~~

551.12 ~~(g) A district's third tier referendum equalization allowance equals the lesser of the~~  
551.13 ~~district's referendum allowance under subdivision 1 or 25 percent of the formula allowance,~~  
551.14 ~~minus the sum of \$300 and the district's first tier referendum equalization allowance and~~  
551.15 ~~second tier referendum equalization allowance.~~

551.16 ~~(h)~~ (f) Notwithstanding paragraph ~~(g)~~ (e), the ~~third~~ second tier referendum allowance  
551.17 for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision  
551.18 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's  
551.19 referendum allowance under subdivision 1 minus the ~~sum of the~~ district's first tier referendum  
551.20 equalization allowance ~~and second tier referendum equalization allowance.~~

551.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

551.22 Sec. 10. Minnesota Statutes 2016, section 126C.17, subdivision 6, is amended to read:

551.23 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy  
551.24 equals the sum of the first tier referendum equalization levy; and the second tier referendum  
551.25 equalization levy; ~~and the third tier referendum equalization levy.~~

551.26 (b) A district's first tier referendum equalization levy equals the district's first tier  
551.27 referendum equalization revenue times the lesser of one or the ratio of the district's  
551.28 referendum market value per resident pupil unit to ~~\$880,000~~ \$510,000.

551.29 (c) A district's second tier referendum equalization levy equals the district's second tier  
551.30 referendum equalization revenue times the lesser of one or the ratio of the district's  
551.31 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

552.1 ~~(d) A district's third tier referendum equalization levy equals the district's third tier~~  
 552.2 ~~referendum equalization revenue times the lesser of one or the ratio of the district's~~  
 552.3 ~~referendum market value per resident pupil unit to \$290,000.~~

552.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

552.5 Sec. 11. Minnesota Statutes 2016, section 126C.17, subdivision 7, is amended to read:

552.6 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid  
 552.7 equals the difference between its referendum equalization revenue and levy.

552.8 (b) If a district's actual levy for first, or second, ~~or third~~ tier referendum equalization  
 552.9 revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

552.10 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district, ~~where~~  
 552.11 ~~the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum~~  
 552.12 ~~revenue,~~ must not exceed (1) the difference between 25 percent of the formula allowance  
 552.13 and \$300 times (2) the district's adjusted pupil units. A district's referendum levy is increased  
 552.14 by the amount of any reduction in referendum aid under this paragraph.

552.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

552.16 Sec. 12. Minnesota Statutes 2016, section 126C.17, subdivision 7a, is amended to read:

552.17 Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a  
 552.18 referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized  
 552.19 referendum levy, the commissioner of revenue, in consultation with the commissioner of  
 552.20 education, shall certify the amount of the referendum levy in taxes payable year 2001  
 552.21 attributable to the portion of the referendum allowance exceeding \$415 levied against  
 552.22 property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding  
 552.23 the portion of the tax paid by the portion of class 2a property consisting of the house, garage,  
 552.24 and surrounding one acre of land. The resulting amount must be used to reduce the district's  
 552.25 referendum levy or first tier local optional levy amount otherwise determined, and must be  
 552.26 paid to the district each year that the referendum or first tier local optional authority remains  
 552.27 in effect, is renewed, or new referendum authority is approved. The aid payable under this  
 552.28 subdivision must be subtracted from the district's referendum equalization aid under  
 552.29 subdivision 7. The referendum equalization aid and the first tier local optional aid after the  
 552.30 subtraction must not be less than zero.

552.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

553.1 Sec. 13. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2,  
553.2 is amended to read:

553.3 Subd. 2. **General education aid.** For general education aid under Minnesota Statutes,  
553.4 section 126C.13, subdivision 4:

553.5		<del>7,032,051,000</del>		
553.6	\$	<u>7,078,769,000</u>	.....	2018
553.7		<del>7,227,809,000</del>		
553.8	\$	<u>7,239,247,000</u>	.....	2019

553.9 The 2018 appropriation includes \$686,828,000 for 2017 and ~~\$6,345,223,000~~  
553.10 \$6,391,941,000 for 2018.

553.11 The 2019 appropriation includes ~~\$705,024,000~~ \$683,110,000 for 2018 and  
553.12 ~~\$6,522,785,000~~ \$6,556,137,000 for 2019.

553.13 **EFFECTIVE DATE.** This section is effective June 30, 2018.

553.14 Sec. 14. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 3,  
553.15 is amended to read:

553.16 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
553.17 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
553.18 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

553.19		<del>29,000</del>		
553.20	\$	<u>25,000</u>	.....	2018
553.21		<del>31,000</del>		
553.22	\$	<u>29,000</u>	.....	2019

553.23 **EFFECTIVE DATE.** This section is effective June 30, 2018.

553.24 Sec. 15. **REPEALER.**

553.25 (a) Minnesota Statutes 2016, section 126C.17, subdivision 9a, is repealed.

553.26 (b) Minnesota Statutes 2016, section 126C.16, subdivisions 1 and 3, are repealed.

553.27 **EFFECTIVE DATE.** Paragraph (a) is effective for revenue for fiscal year 2020 and  
553.28 later. Paragraph (b) is effective July 1, 2018.

553.29 **ARTICLE 35**

553.30 **EDUCATION EXCELLENCE**

553.31 Section 1. **[120B.25] ACADEMIC BALANCE POLICY.**

554.1 A school board must adopt a written academic balance policy. At a minimum, the policy  
 554.2 must prohibit discrimination against students on the basis of political, ideological, or religious  
 554.3 beliefs. A student must not be required to publicly identify their personal beliefs, views,  
 554.4 and values for the purpose of academic credit, classroom, or extracurricular participation.  
 554.5 The policy must include reporting procedures and appropriate disciplinary actions for policy  
 554.6 violations. The disciplinary actions must conform with collective bargaining agreements  
 554.7 and sections 121A.41 to 121A.56. A district must post the policy on the district's Web site  
 554.8 during the 2018-2019 school year, provide a copy to each district employee, and include  
 554.9 the policy in subsequent editions of the student handbook.

554.10 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

554.11 Sec. 2. Minnesota Statutes 2016, section 122A.63, subdivision 1, is amended to read:

554.12 Subdivision 1. **Establishment.** (a) A grant program is established to assist American  
 554.13 Indian people to become teachers and to provide additional education for American Indian  
 554.14 teachers. The commissioner may award a joint grant to each of the following:

554.15 (1) the Duluth campus of the University of Minnesota and Independent School District  
 554.16 No. 709, Duluth;

554.17 (2) Bemidji State University and Independent School District No. 38, Red Lake;

554.18 (3) Moorhead State University and one of the school districts located within the White  
 554.19 Earth Reservation; and

554.20 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special School  
 554.21 District No. 1, Minneapolis.

554.22 (b) If additional funds are available, the commissioner may award additional joint grants  
 554.23 to other postsecondary institutions and school districts.

554.24 (c) Grantees may enter into contracts with tribal, technical, and community colleges and  
 554.25 four-year postsecondary institutions to identify and provide grants to students at those  
 554.26 institutions interested in the field of education. Each grantee is eligible to and may contract  
 554.27 with partner institutions to provide professional development and supplemental services to  
 554.28 a tribal, technical, or community college or four-year postsecondary institution, including  
 554.29 identification of prospective students, provision of instructional supplies and materials, and  
 554.30 provision of grant money to students. A contract with a tribal, technical, or community  
 554.31 college or four-year postsecondary institution includes coordination of student identification,  
 554.32 professional development, and mentorship services.

555.1 Sec. 3. Minnesota Statutes 2016, section 122A.63, subdivision 4, is amended to read:

555.2 Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount it  
 555.3 determines to be appropriate. The grant shall include money for the postsecondary institution,  
 555.4 school district, and student scholarships, and student loans grants.

555.5 Sec. 4. Minnesota Statutes 2016, section 122A.63, subdivision 5, is amended to read:

555.6 Subd. 5. **Information to student applicants.** At the time a student applies for a  
 555.7 ~~scholarship and loan grant~~, the student shall be provided information about the fields of  
 555.8 licensure needed by school districts in the part of the state within which the district receiving  
 555.9 the joint grant is located. The information shall be acquired and periodically updated by the  
 555.10 recipients of the joint grant and their contracted partner institutions. Information provided  
 555.11 to students shall clearly state that scholarship and loan decisions are not based upon the  
 555.12 field of licensure selected by the student.

555.13 Sec. 5. Minnesota Statutes 2016, section 122A.63, subdivision 6, is amended to read:

555.14 Subd. 6. **Eligibility for ~~scholarships and loans~~ student grants.** The following Indian  
 555.15 people are eligible for ~~scholarships~~ student grants:

555.16 (1) a student having origins in any of the original peoples of North America and  
 555.17 maintaining cultural identification through tribal affiliation or community recognition;

555.18 ~~(1)~~ (2) a student, including a teacher aide employed by a district receiving a joint grant  
 555.19 or their contracted partner school, who intends to become a teacher or who is interested in  
 555.20 the field of education and who is enrolled in a postsecondary institution or their contracted  
 555.21 partner institutions receiving a joint grant;

555.22 ~~(2)~~ (3) a licensed employee of a district receiving a joint grant or a contracted partner  
 555.23 school, who is enrolled in a master of education program; and

555.24 ~~(3)~~ (4) a student who, after applying for federal and state financial aid and an Indian  
 555.25 scholarship according to section 136A.126, has financial needs that remain unmet. Financial  
 555.26 need shall be determined according to the congressional methodology for needs determination  
 555.27 or as otherwise set in federal law.

555.28 ~~A person who has actual living expenses in addition to those addressed by the~~  
 555.29 ~~congressional methodology for needs determination, or as otherwise set in federal law, may~~  
 555.30 ~~receive a loan according to criteria established by the commissioner. A contract shall be~~  
 555.31 ~~executed between the state and the student for the amount and terms of the loan. Priority~~

556.1 shall be given to a student who is tribally enrolled and then to first- and second-generation  
 556.2 descendants.

556.3 Sec. 6. Minnesota Statutes 2016, section 122A.63, is amended by adding a subdivision to  
 556.4 read:

556.5 Subd. 9. **Eligible programming.** (a) The grantee institutions and the contracted partner  
 556.6 institutions may provide grants to students progressing toward educational goals in any area  
 556.7 of teacher licensure, including an associate of arts, bachelor's, master's, or doctoral degree  
 556.8 in the following:

556.9 (1) any educational certification necessary for employment;

556.10 (2) early childhood family education or prekindergarten licensure;

556.11 (3) elementary and secondary education;

556.12 (4) school administration; or

556.13 (5) any educational program that provides services to American Indian students in  
 556.14 prekindergarten through grade 12.

556.15 The grantee institutions and the contracted partner institutions must give priority to grants  
 556.16 for students progressing towards an associate of arts or a bachelor's degree. Students  
 556.17 progressing towards a master's or doctoral degree may be awarded a grant if they were  
 556.18 enrolled in the degree granting program before May 1, 2018.

556.19 (b) For purposes of recruitment, the grantees or their partner contracted institutions shall  
 556.20 agree to work with their respective organizations to hire an American Indian work-study  
 556.21 student or other American Indian staff to conduct initial information queries and to contact  
 556.22 persons working in schools to provide programming regarding education professions to a  
 556.23 high school student who may be interested in education as a profession.

556.24 (c) At least 80 percent of the grants awarded under this section must be used for student  
 556.25 grants. No more than 20 percent of the grants awarded under this section may be used for  
 556.26 recruitment or administration of the student grants.

556.27 Sec. 7. **[123B.022] PROHIBITING SCHOOL EMPLOYEES FROM USING PUBLIC**  
 556.28 **RESOURCES FOR ADVOCACY; ENDORSING TIMELY AND CURRENT**  
 556.29 **FACTUAL INFORMATION.**

556.30 (a) A school board must adopt and implement a districtwide policy that prohibits district  
 556.31 employees from using district funds or other publicly funded district resources, including

557.1 time, materials, equipment, facilities, social media, and communication technologies, among  
557.2 other resources, to advocate for electing or defeating a candidate, or passing or defeating a  
557.3 ballot question. The policy must apply when the employee performs the duties assigned to  
557.4 the employee under the employee's employment contract with the district, and includes the  
557.5 periods when the employee represents the district in an official capacity, among other duties.  
557.6 The policy must not apply when an employee disseminates factual information consistent  
557.7 with the employee's contractual duties.

557.8 (b) The school board must provide the district's electorate with timely factual information  
557.9 about a pending ballot question.

557.10 **EFFECTIVE DATE.** This section is effective July 1, 2018.

557.11 Sec. 8. **[124D.5222] ADULT BASIC EDUCATION AID FOR COMMUNITY-BASED**  
557.12 **PROVIDERS.**

557.13 (a) The International Education Center, the American Indian Opportunities  
557.14 Industrialization Center, and the Minnesota Office of Communication Service for the Deaf  
557.15 are eligible for additional adult basic education aid for fiscal year 2019 only.

557.16 (b) The additional aid for each eligible organization equals \$400,000 times the ratio of  
557.17 (1) the number of students served for the previous fiscal year by the organization to (2) the  
557.18 sum of the number of students served for the previous fiscal year by all eligible organizations.

557.19 (c) The additional aid under this section must be paid in the same form and manner as  
557.20 the aid under section 124D.531.

557.21 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 only.

557.22 Sec. 9. Minnesota Statutes 2017 Supplement, section 124E.03, subdivision 2, is amended  
557.23 to read:

557.24 Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall  
557.25 meet all federal, state, and local health and safety requirements applicable to school districts.

557.26 (b) A school must comply with statewide accountability requirements governing standards  
557.27 and assessments in chapter 120B.

557.28 (c) A charter school must comply with the Minnesota Public School Fee Law, sections  
557.29 123B.34 to 123B.39.

557.30 (d) A charter school is a district for the purposes of tort liability under chapter 466.

558.1 (e) A charter school must comply with the Pledge of Allegiance requirement under  
558.2 section 121A.11, subdivision 3.

558.3 (f) A charter school and charter school board of directors must comply with chapter 181  
558.4 governing requirements for employment.

558.5 (g) A charter school must comply with continuing truant notification under section  
558.6 260A.03.

558.7 (h) A charter school must develop and implement a teacher evaluation and peer review  
558.8 process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place  
558.9 students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).  
558.10 The teacher evaluation process in this paragraph does not create any additional employment  
558.11 rights for teachers.

558.12 (i) A charter school must adopt a policy, plan, budget, and process, consistent with  
558.13 section 120B.11, to review curriculum, instruction, and student achievement and strive for  
558.14 the world's best workforce.

558.15 (j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act,  
558.16 sections 121A.40 to 121A.56.

558.17 (k) A charter school must adopt an academic balance policy under section 120B.25.

558.18 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

558.19 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 12,  
558.20 is amended to read:

558.21 Subd. 12. **Museums and education centers.** For grants to museums and education  
558.22 centers:

558.23       \$       460,000     ..... 2018

558.24               ~~460,000~~

558.25       \$       507,000     ..... 2019

558.26 (a) \$319,000 each year is for the Minnesota Children's Museum. Of the amount in this  
558.27 paragraph, \$50,000 in each year is for the Minnesota Children's Museum, Rochester.

558.28 (b) \$50,000 each year is for the Duluth Children's Museum.

558.29 (c) \$41,000 each year is for the Minnesota Academy of Science.

558.30 (d) \$50,000 each year is for the Headwaters Science Center.

559.1 (e) \$47,000 in fiscal year 2019 only is for the Judy Garland Museum for the Children's  
 559.2 Discovery Museum of Grand Rapids.

559.3 Any balance in the first year does not cancel but is available in the second year.

559.4 The base in fiscal year 2020 is \$460,000.

559.5 **EFFECTIVE DATE.** This section is effective July 1, 2018.

559.6 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 22,  
 559.7 is amended to read:

559.8 Subd. 22. **Race 2 Reduce.** (a) For grants to support expanded Race 2 Reduce water  
 559.9 conservation programming in Minnesota schools:

559.10 \$ 307,000 ..... 2018

559.11 \$ 0

559.12 \$ 100,000 ..... 2019

559.13 (b) For fiscal year 2018, \$143,000 is for H2O for Life; \$98,000 is for Independent School  
 559.14 District No. 624, White Bear Lake; and \$66,000 is for Independent School District No. 832,  
 559.15 Mahtomedi.

559.16 (c) For fiscal year 2019, \$57,000 is for H2O for Life, and \$43,000 is for Independent  
 559.17 School District No. 624, White Bear Lake.

559.18 ~~The appropriation is available until June 30, 2019.~~ (d) Any balance in the first year does  
 559.19 not cancel but is available in the second year. The base for fiscal year 2020 is \$0.

559.20 Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23,  
 559.21 is amended to read:

559.22 Subd. 23. ~~Paraprofessional pathway~~ **Grow Your Own Pathways to teacher licensure.**

559.23 (a) For grants to school districts for Grow Your Own new teacher programs:

559.24 \$ 1,500,000 ..... 2018

559.25 \$ 1,500,000 ..... 2019

559.26 (b) The grants in paragraph (a) are for school districts ~~with more than 30 percent minority~~  
 559.27 and charter schools where at least 30 percent of the school district's or charter school's  
 559.28 students served are students of color or American Indian students.

559.29 (c) \$900,000 of the fiscal year 2019 appropriation is for a Board of Teaching-approved  
 559.30 established and effective Professional Educator Licensing and Standards Board-approved  
 559.31 nonconventional teacher residency pilot program programs. The program must provide

560.1 tuition scholarships or stipends to enable school district and charter school employees or  
 560.2 community members affiliated with a school district or charter school who seek an education  
 560.3 license to participate in a nonconventional teacher preparation program. School districts  
 560.4 and charter schools that receive funds under this subdivision are strongly encouraged to  
 560.5 recruit candidates of color and American Indian candidates to participate in the Grow Your  
 560.6 Own new teacher programs. Districts or schools providing financial support may require a  
 560.7 commitment as determined by the district to teach in the district or school for a reasonable  
 560.8 amount of time that does not exceed five years.

560.9 ~~(e) School districts and charter schools may also apply for grants to develop~~ (d) \$600,000  
 560.10 of the fiscal year 2019 appropriation is for grants to provide financial assistance, mentoring,  
 560.11 and experiences to enable persons who are of color or who are American Indian, and who  
 560.12 work or live in the local community, to become teachers. Districts or schools providing  
 560.13 financial support may require a commitment as determined by the district or school to teach  
 560.14 in the district or school for a reasonable amount of time that does not exceed five years.

560.15 Grants may be used for:

560.16 (1) tuition scholarships or stipends to eligible teaching assistants, cultural liaisons, or  
 560.17 other nonlicensed employees who are of color or who are American Indian and who are  
 560.18 enrolled in any teacher preparation program approved by the Professional Educator Licensing  
 560.19 and Standards Board;

560.20 (2) supporting the development of innovative residency programs for persons of color  
 560.21 and American Indians seeking an education license through a school-based, board-approved  
 560.22 program; and

560.23 (3) developing innovative expanded Grow Your Own programs that:

560.24 (i) encourage secondary school students to pursue teaching, including developing and  
 560.25 offering dual-credit postsecondary course options in schools for "Introduction to Teaching"  
 560.26 or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09,  
 560.27 subdivision 10; and

560.28 (ii) support future teacher clubs involving middle and high school students who are of  
 560.29 color or who are American Indian to provide experiential learning, support the success of  
 560.30 younger students, and pursue teaching careers.

560.31 (e) A school district must apply for grants under this subdivision in the form and manner  
 560.32 specified by the commissioner. Each year, the commissioner must review all grant  
 560.33 applications by September 15 and notify grant recipients of the amount of their grant by  
 560.34 September 30.

561.1 ~~(d)~~ (f) Programs must annually report to the commissioner by the date determined by  
 561.2 the commissioner on their activities under this section, including the number of participants,  
 561.3 the percentage of participants who are of color or who are American Indian, and an  
 561.4 assessment of program effectiveness, including participant feedback, areas for improvement,  
 561.5 the percentage of participants continuing to pursue teacher licensure, and the number of  
 561.6 participants hired in the school or district as teachers after completing preparation programs.

561.7 ~~(e)~~ (g) The department may retain up to three percent of the appropriation amount to  
 561.8 monitor and administer the grant program.

561.9 ~~(f)~~ (h) Any balance in ~~the first~~ fiscal year 2018 does not cancel but is available in ~~the~~  
 561.10 ~~second~~ fiscal year 2019.

561.11 **EFFECTIVE DATE.** This section is effective June 30, 2018.

561.12 Sec. 13. **APPROPRIATIONS.**

561.13 **Subdivision 1. Department of Education.** The sum indicated in this section is  
 561.14 appropriated from the general fund to the Department of Education for the fiscal year  
 561.15 designated.

561.16 **Subd. 2. Online access to music education.** (a) For a grant to the MacPhail Center for  
 561.17 Music to broaden access to music education in rural Minnesota:

561.18 §            125,000    ..... 2019

561.19 (b) The MacPhail Center must use the grant under paragraph (a) to broaden access to  
 561.20 music education in rural Minnesota. The program must supplement and enhance an existing  
 561.21 program and may provide individual instruction, sectional ensembles, and other group  
 561.22 activities, workshops, and early childhood music activities. The MacPhail Center must  
 561.23 design its program in consultation with music educators who teach in rural Minnesota. The  
 561.24 grants may be used by the MacPhail Center for employee costs and for any related travel  
 561.25 costs.

561.26 (c) Upon request from a school's music educator, the MacPhail Center may enter into  
 561.27 an agreement with the school to provide a program according to paragraph (b). In an early  
 561.28 childhood setting, the MacPhail Center may provide a program upon a request initiated by  
 561.29 an early childhood educator.

561.30 (d) By January 15, 2020, the MacPhail Center shall prepare and submit a report to the  
 561.31 legislature describing the online programs offered, program outcomes, the students served,

562.1 an estimate of the unmet need for music education, and a detailed list of expenditures for  
 562.2 the previous fiscal year.

562.3 (e) This is a onetime appropriation.

562.4 Subd. 3. **Academic balance policy review.** (a) For the commissioner of education to  
 562.5 conduct a review of academic balance policies under Minnesota Statutes, section 120B.25.

562.6 §            25,000    ..... 2019

562.7 (b) The commissioner must review a sample of policies adopted by school districts and  
 562.8 charter schools for compliance with the requirements of Minnesota Statutes, section 120B.25,  
 562.9 and may make recommendations to the legislative committees having jurisdiction over early  
 562.10 childhood through grade 12 education by January 18, 2019, regarding any necessary statutory  
 562.11 changes.

562.12 (c) This is a onetime appropriation.

562.13 Sec. 14. **REVISOR'S INSTRUCTION.**

562.14 The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article  
 562.15 2, section 57, subdivision 23, as amended, in the next publication of Minnesota Statutes.

562.16 Sec. 15. **REPEALER.**

562.17 (a) Minnesota Statutes 2016, section 122A.63, subdivisions 7 and 8, are repealed.

562.18 (b) Laws 2016, chapter 189, article 25, section 62, subdivision 16, is repealed.

562.19 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2018. Paragraph (b) is effective  
 562.20 June 30, 2018.

## 562.21 **ARTICLE 36**

### 562.22 **TEACHERS**

562.23 Section 1. Minnesota Statutes 2017 Supplement, section 122A.187, is amended by adding  
 562.24 a subdivision to read:

562.25 Subd. 7. **Background check.** The Professional Educator Licensing and Standards Board  
 562.26 must request a criminal history background check from the superintendent of the Bureau  
 562.27 of Criminal Apprehension on a licensed teacher applying for a renewal license who has not  
 562.28 had a background check within the preceding five years. The board may request payment  
 562.29 from the teacher renewing their license in an amount equal to the actual cost of the  
 562.30 background check.

563.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

563.2 Sec. 2. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 1, is amended  
563.3 to read:

563.4 Subdivision 1. **Background check required.** (a) A school hiring authority ~~shall~~ must  
563.5 request a criminal history background check from the superintendent of the Bureau of  
563.6 Criminal Apprehension on all individuals who are offered employment in a school and on  
563.7 all individuals, except enrolled student volunteers, who are offered the opportunity to provide  
563.8 athletic coaching services or other extracurricular academic coaching services to a school,  
563.9 regardless of whether any compensation is paid. In order for an individual to be eligible for  
563.10 employment or to provide the services, the individual must provide an executed criminal  
563.11 history consent form and a money order or check payable to either the Bureau of Criminal  
563.12 Apprehension or the school hiring authority, at the discretion of the school hiring authority,  
563.13 in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school  
563.14 district of conducting the criminal history background check. A school hiring authority  
563.15 deciding to receive payment may, at its discretion, accept payment in the form of a negotiable  
563.16 instrument other than a money order or check and shall pay the superintendent of the Bureau  
563.17 of Criminal Apprehension directly to conduct the background check. The superintendent  
563.18 of the Bureau of Criminal Apprehension shall conduct the background check by retrieving  
563.19 criminal history data as defined in section 13.87. A school hiring authority, at its discretion,  
563.20 may decide not to request a criminal history background check on an individual who holds  
563.21 an initial entrance license issued by the Professional Educator Licensing and Standards  
563.22 Board or the commissioner of education within the 12 months preceding an offer of  
563.23 employment.

563.24 (b) A school hiring authority may use the results of a criminal background check  
563.25 conducted at the request of another school hiring authority if:

563.26 (1) the results of the criminal background check are on file with the other school hiring  
563.27 authority or otherwise accessible;

563.28 (2) the other school hiring authority conducted a criminal background check within the  
563.29 previous 12 months;

563.30 (3) the individual who is the subject of the criminal background check executes a written  
563.31 consent form giving a school hiring authority access to the results of the check; and

563.32 (4) there is no reason to believe that the individual has committed an act subsequent to  
563.33 the check that would disqualify the individual for employment.

564.1 (c) A school hiring authority may, at its discretion, request a criminal history background  
564.2 check from the superintendent of the Bureau of Criminal Apprehension on any individual  
564.3 who seeks to enter a school or its grounds for the purpose of serving as a school volunteer  
564.4 or working as an independent contractor or student employee. In order for an individual to  
564.5 enter a school or its grounds under this paragraph when the school hiring authority decides  
564.6 to request a criminal history background check on the individual, the individual first must  
564.7 provide an executed criminal history consent form and a money order, check, or other  
564.8 negotiable instrument payable to the school district in an amount equal to the actual cost to  
564.9 the Bureau of Criminal Apprehension and the school district of conducting the criminal  
564.10 history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the  
564.11 criminal history background check under this paragraph is the responsibility of the individual  
564.12 unless a school hiring authority decides to pay the costs of conducting a background check  
564.13 under this paragraph. If the school hiring authority pays the costs, the individual who is the  
564.14 subject of the background check need not pay for it.

564.15 (d) In addition to the initial background check required for all individuals offered  
564.16 employment in accordance with paragraph (a), a school hiring authority must request a new  
564.17 criminal history background check from the superintendent of the Bureau of Criminal  
564.18 Apprehension on all employees every three years. Notwithstanding any law to the contrary,  
564.19 in order for an individual to be eligible for continued employment, an individual must  
564.20 provide an executed criminal history consent form and a money order or check payable to  
564.21 either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion  
564.22 of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal  
564.23 Apprehension and the school district of conducting the criminal history background check.  
564.24 A school hiring authority deciding to receive payment may, at its discretion, accept payment  
564.25 in the form of a negotiable instrument other than a money order or check and shall pay the  
564.26 superintendent of the Bureau of Criminal Apprehension directly to conduct the background  
564.27 check. A school bus driver who has had a criminal history background check under section  
564.28 171.3215 and has had their existing bus driver's endorsement renewed, is exempt from this  
564.29 requirement. A school hiring authority, at its discretion, may decide not to request a criminal  
564.30 history background check on an employee who provides the hiring authority with a copy  
564.31 of the results of a criminal history background check conducted within the previous 36  
564.32 months. A school hiring authority may, at its discretion, decide to pay the costs of conducting  
564.33 a background check under this paragraph.

564.34 ~~(d)~~ (e) For all nonstate residents who are offered employment in a school, a school hiring  
564.35 authority shall request a criminal history background check on such individuals from the

565.1 superintendent of the Bureau of Criminal Apprehension and from the government agency  
 565.2 performing the same function in the resident state or, if no government entity performs the  
 565.3 same function in the resident state, from the Federal Bureau of Investigation. Such individuals  
 565.4 must provide an executed criminal history consent form and a money order, check, or other  
 565.5 negotiable instrument payable to the school hiring authority in an amount equal to the actual  
 565.6 cost to the government agencies and the school district of conducting the criminal history  
 565.7 background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal  
 565.8 history background check under this paragraph is the responsibility of the individual.

565.9 ~~(e)~~ (f) At the beginning of each school year or when a student enrolls, a school hiring  
 565.10 authority must notify parents and guardians about the school hiring authority's policy  
 565.11 requiring a criminal history background check on employees and other individuals who  
 565.12 provide services to the school, and identify those positions subject to a background check  
 565.13 and the extent of the hiring authority's discretion in requiring a background check. The  
 565.14 school hiring authority may include the notice in the student handbook, a school policy  
 565.15 guide, or other similar communication. Nothing in this paragraph affects a school hiring  
 565.16 authority's ability to request a criminal history background check on an individual under  
 565.17 paragraph (c).

## 565.18 **ARTICLE 37**

### 565.19 **SPECIAL EDUCATION**

565.20 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

565.21 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
 565.22 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
 565.23 the district cannot determine that the pupil is a resident of the district.

565.24 (b) The school district of residence for a homeless pupil shall be the school district in  
 565.25 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
 565.26 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
 565.27 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
 565.28 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
 565.29 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
 565.30 in which the pupil resided when the qualifying event occurred. If no other district of residence  
 565.31 can be established, the school district of residence shall be the school district in which the  
 565.32 pupil currently resides. If there is a dispute between school districts regarding residency,  
 565.33 the district of residence is the district designated by the commissioner of education.

566.1 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
566.2 a homeless pupil to and from the pupil's district of residence. The district may transport  
566.3 from a permanent home in another district but only through the end of the academic school  
566.4 year. When a pupil is enrolled in a charter school, the district or school that provides  
566.5 transportation for other pupils enrolled in the charter school is responsible for providing  
566.6 transportation. When a homeless student with or without an individualized education program  
566.7 attends a public school other than an independent or special school district or charter school,  
566.8 the district of residence is responsible for transportation.

566.9 (d) For a homeless pupil with an individualized education plan enrolled in a program  
566.10 authorized by an intermediate school district, special education cooperative, service  
566.11 cooperative, or education district, the serving district at the time of the pupil's enrollment  
566.12 in the program remains responsible for transporting that pupil for the remainder of the school  
566.13 year, unless the initial serving district and the current serving district mutually agree that  
566.14 the current serving district is responsible for transporting the homeless pupil.

566.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

566.16 Sec. 2. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to  
566.17 read:

566.18 Sec. 56. **INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**  
566.19 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

566.20 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated  
566.21 from the general fund to the commissioner of human services for a grant program to fund  
566.22 innovative projects to improve mental health outcomes for youth attending a qualifying  
566.23 school unit.

566.24 (b) A "qualifying school unit" means an intermediate district organized under Minnesota  
566.25 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,  
566.26 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students  
566.27 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be  
566.28 awarded to eligible applicants such that the services are proportionately provided among  
566.29 qualifying school units. The commissioner shall calculate the share of the appropriation to  
566.30 be used in each qualifying school unit by dividing the qualifying school unit's average daily  
566.31 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the  
566.32 total average daily membership in a setting of federal instructional level 4 or higher for the  
566.33 same year for all qualifying school units.

567.1 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth  
567.2 identified in paragraph (a) and that is:

567.3 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

567.4 (2) a community mental health center under Minnesota Statutes, section 256B.0625,  
567.5 subdivision 5;

567.6 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
567.7 organization operating under United States Code, title 25, section 5321; ~~or~~

567.8 (4) a provider of children's therapeutic services and supports as defined in Minnesota  
567.9 Statutes, section 256B.0943-; or

567.10 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
567.11 agency and must employ at least two full-time equivalent mental health professionals as  
567.12 defined in section 245.4871, subdivision 27, clauses (1) to (6), or alcohol and drug counselors  
567.13 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical  
567.14 services to children and families.

567.15 (d) An eligible applicant must employ or contract with at least two licensed mental health  
567.16 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses  
567.17 (1) to (6), who have formal training in evidence-based practices.

567.18 (e) A qualifying school unit must submit an application to the commissioner in the form  
567.19 and manner specified by the commissioner. The commissioner may approve an application  
567.20 that describes models for innovative projects to serve the needs of the schools and students.  
567.21 The commissioner may provide technical assistance to the qualifying school unit. The  
567.22 commissioner shall then solicit grant project proposals and award grant funding to the  
567.23 eligible applicants whose project proposals best meet the requirements of this section and  
567.24 most closely adhere to the models created by the intermediate districts and service  
567.25 cooperatives.

567.26 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the  
567.27 applicant's grant project proposal from each qualifying school unit the eligible applicant is  
567.28 proposing to serve. An eligible applicant must also demonstrate the following:

567.29 (1) the ability to seek third-party reimbursement for services;

567.30 (2) the ability to report data and outcomes as required by the commissioner; and

567.31 (3) the existence of partnerships with counties, tribes, substance use disorder providers,  
567.32 and mental health service providers, including providers of mobile crisis services.

568.1 (g) Grantees shall obtain all available third-party reimbursement sources as a condition  
 568.2 of receiving grant funds. For purposes of this grant program, a third-party reimbursement  
 568.3 source does not include a public school as defined in Minnesota Statutes, section 120A.20,  
 568.4 subdivision 1.

568.5 (h) The base budget for this program is \$0. This appropriation is available until June 30,  
 568.6 2020.

568.7 **EFFECTIVE DATE.** This section is effective June 30, 2018.

568.8 **Sec. 3. TRANSFER OF UNSPENT DEPARTMENT OF EDUCATION LITIGATION**  
 568.9 **FUNDS FOR MONTICELLO SPECIAL EDUCATION AID.**

568.10 The commissioner of education must transfer any funds remaining unspent as of June  
 568.11 30, 2018, estimated at \$800,000, from the amount appropriated for fiscal year 2018 to the  
 568.12 Department of Education for legal fees and costs associated with litigation under Laws  
 568.13 2017, First Special Session chapter 5, article 11, section 9, subdivision 2, paragraph (a),  
 568.14 clause (8), to increase special education aid payments to Independent School District No.  
 568.15 882, Monticello, in an equal amount for fiscal year 2019. This is a onetime transfer.

568.16 **EFFECTIVE DATE.** This section is effective June 30, 2018.

568.17 **ARTICLE 38**

568.18 **FACILITIES, TECHNOLOGY, AND LIBRARIES**

568.19 Section 1. Minnesota Statutes 2016, section 123B.595, is amended by adding a subdivision  
 568.20 to read:

568.21 **Subd. 13. Allocation from districts participating in agreements for secondary**  
 568.22 **education or interdistrict cooperation.** For purposes of this section, a district with revenue  
 568.23 authority under subdivision 1 for indoor air quality, fire alarm and suppression, and asbestos  
 568.24 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000  
 568.25 or more per site and that participates in an agreement under section 123A.30 or 123A.32  
 568.26 may allocate the revenue authority among participating districts.

568.27 Sec. 2. Minnesota Statutes 2016, section 125B.26, subdivision 4, is amended to read:

568.28 Subd. 4. **District aid.** ~~For fiscal year 2006 and later,~~ A district, charter school, or  
 568.29 intermediate school district's Internet access equity aid equals the district, charter school,  
 568.30 or intermediate school district's approved cost for the previous fiscal year according to  
 568.31 subdivision 1 ~~exceeding \$16 times the district's adjusted pupil units for the previous fiscal~~

569.1 ~~year or no reduction if the district is part of an organized telecommunications access cluster.~~  
 569.2 Equity aid must be distributed to the telecommunications access cluster for districts, charter  
 569.3 schools, or intermediate school districts that are members of the cluster or to individual  
 569.4 districts, charter schools, or intermediate school districts not part of a telecommunications  
 569.5 access cluster.

569.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

569.7 Sec. 3. Minnesota Statutes 2016, section 125B.26, is amended by adding a subdivision to  
 569.8 read:

569.9 Subd. 4a. **Additional telecommunications equity access aid.** A school district or charter  
 569.10 school is eligible for additional telecommunications equity access aid equal to the greater  
 569.11 of zero or:

569.12 (1) the district's approved costs under subdivision 1 minus the district's aid under  
 569.13 subdivision 4; minus

569.14 (2) \$7 times the adjusted pupil units.

569.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

569.16 Sec. 4. Minnesota Statutes 2016, section 126C.40, subdivision 1, is amended to read:

569.17 Subdivision 1. **To lease building or land.** (a) When an independent or a special school  
 569.18 district or a group of independent or special school districts finds it economically  
 569.19 advantageous to rent or lease a building or land for any instructional purposes or for school  
 569.20 storage or furniture repair, and it determines that the operating capital revenue authorized  
 569.21 under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the  
 569.22 commissioner for permission to make an additional capital expenditure levy for this purpose.  
 569.23 An application for permission to levy under this subdivision must contain financial  
 569.24 justification for the proposed levy, the terms and conditions of the proposed lease, and a  
 569.25 description of the space to be leased and its proposed use.

569.26 (b) The criteria for approval of applications to levy under this subdivision must include:  
 569.27 the reasonableness of the price, the appropriateness of the space to the proposed activity,  
 569.28 the feasibility of transporting pupils to the leased building or land, conformity of the lease  
 569.29 to the laws and rules of the state of Minnesota, and the appropriateness of the proposed  
 569.30 lease to the space needs and the financial condition of the district. The commissioner must  
 569.31 not authorize a levy under this subdivision in an amount greater than the cost to the district  
 569.32 of renting or leasing a building or land for approved purposes. The proceeds of this levy

570.1 must not be used for custodial or other maintenance services. A district may not levy under  
570.2 this subdivision for the purpose of leasing or renting a district-owned building or site to  
570.3 itself.

570.4 (c) For agreements finalized after July 1, 1997, a district may not levy under this  
570.5 subdivision for the purpose of leasing: (1) a newly constructed building used primarily for  
570.6 regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed  
570.7 building addition or additions used primarily for regular kindergarten, elementary, or  
570.8 secondary instruction that contains more than 20 percent of the square footage of the  
570.9 previously existing building.

570.10 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
570.11 purpose of leasing or renting a district-owned building or site to itself only if the amount is  
570.12 needed by the district to make payments required by a lease purchase agreement, installment  
570.13 purchase agreement, or other deferred payments agreement authorized by law, and the levy  
570.14 meets the requirements of paragraph (c). A levy authorized for a district by the commissioner  
570.15 under this paragraph may be in the amount needed by the district to make payments required  
570.16 by a lease purchase agreement, installment purchase agreement, or other deferred payments  
570.17 agreement authorized by law, provided that any agreement include a provision giving the  
570.18 school districts the right to terminate the agreement annually without penalty.

570.19 (e) The total levy under this subdivision for a district for any year must not exceed \$212  
570.20 times the adjusted pupil units for the fiscal year to which the levy is attributable.

570.21 (f) For agreements for which a review and comment have been submitted to the  
570.22 Department of Education after April 1, 1998, the term "instructional purpose" as used in  
570.23 this subdivision excludes expenditures on stadiums.

570.24 (g) The commissioner of education may authorize a school district to exceed the limit  
570.25 in paragraph (e) if the school district petitions the commissioner for approval. The  
570.26 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)  
570.27 for not more than five years if the district meets the following criteria:

570.28 (1) the school district has been experiencing pupil enrollment growth in the preceding  
570.29 five years;

570.30 (2) the purpose of the increased levy is in the long-term public interest;

570.31 (3) the purpose of the increased levy promotes collocation of government services; and

570.32 (4) the purpose of the increased levy is in the long-term interest of the district by avoiding  
570.33 over construction of school facilities.

571.1 (h) A school district that is a member of an intermediate school district may include in  
 571.2 its authority under this section the costs associated with leases of administrative and  
 571.3 classroom space for intermediate school district programs. This authority must not exceed  
 571.4 \$65 times the adjusted pupil units of the member districts. This authority is in addition to  
 571.5 any other authority authorized under this section.

571.6 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in ~~2012~~  
 571.7 2019 to 2023, a school district that ~~is~~ was a member of the "Technology and Information  
 571.8 ~~Education Systems Educational Services~~" data processing joint board, ~~that finds it~~  
 571.9 ~~economically advantageous to enter into a lease agreement to finance improvements to a~~  
 571.10 ~~building and land for a group of school districts or special school districts for staff~~  
 571.11 ~~development purposes~~, during any period of time from when the building lease purchase  
 571.12 agreement was entered into in calendar year 2012 through the dissolution of the Technology  
 571.13 and Information Educational Services joint powers board may levy for its portion of lease  
 571.14 costs attributed to the district within the total levy limit in paragraph (e). The total annual  
 571.15 levy authority under this paragraph shall not exceed the lesser of \$632,000 or the remaining  
 571.16 lease purchase amounts owed on the facility.

571.17 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
 571.18 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
 571.19 the commissioner that the lease cost for the administrative space is no greater than the lease  
 571.20 cost for instructional space that the district would otherwise lease. The commissioner must  
 571.21 deny this levy authority unless the district passes a resolution stating its intent to lease  
 571.22 instructional space under this section if the commissioner does not grant authority under  
 571.23 this paragraph. The resolution must also certify that the lease cost for administrative space  
 571.24 under this paragraph is no greater than the lease cost for the district's proposed instructional  
 571.25 lease.

571.26 **EFFECTIVE DATE.** This section is effective July 1, 2018.

571.27 Sec. 5. Minnesota Statutes 2016, section 205A.07, subdivision 2, is amended to read:

571.28 Subd. 2. **Sample ballot, posting.** (a) For every school district primary, general, or special  
 571.29 election, the school district clerk shall at least four days before the primary, general, or  
 571.30 special election, post a sample ballot in the administrative offices of the school district for  
 571.31 public inspection, and shall post a sample ballot in each polling place on election day.

571.32 (b) For a school district general or special election to issue bonds to finance a capital  
 571.33 project requiring review and comment under section 123B.71, the summary of the  
 571.34 commissioner's review and comment and supplemental information required under section

572.1 123B.71, subdivision 12, paragraph (a), shall be posted in the same manner as the sample  
572.2 ballot under paragraph (a).

572.3 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,  
572.4 2018.

572.5 Sec. 6. Minnesota Statutes 2016, section 475.58, subdivision 4, is amended to read:

572.6 Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval  
572.7 of the electors under this section ~~may~~ must only be spent: (1) for the purposes stated in the  
572.8 ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties,  
572.9 premiums, and costs of issuance of the obligations. The proceeds ~~may~~ must not be spent  
572.10 for a different purpose or for an expansion of the original purpose without the approval by  
572.11 a majority of the electors voting on the question of changing or expanding the purpose of  
572.12 the obligations.

572.13 Sec. 7. Minnesota Statutes 2017 Supplement, section 475.59, subdivision 1, is amended  
572.14 to read:

572.15 Subdivision 1. **Generally; notice.** (a) When the governing body of a municipality resolves  
572.16 to issue bonds for any purpose requiring the approval of the electors, it shall provide for  
572.17 submission of the proposition of their issuance at a general or special election or town or  
572.18 school district meeting. Notice of such election or meeting shall be given in the manner  
572.19 required by law and shall state the maximum amount and the purpose of the proposed issue.

572.20 (b) In any school district, the school board or board of education may, according to its  
572.21 judgment and discretion, submit as a single ballot question or as two or more separate  
572.22 questions in the notice of election and ballots the proposition of their issuance for any one  
572.23 or more of the following, stated conjunctively or in the alternative: acquisition or enlargement  
572.24 of sites, acquisition, betterment, erection, furnishing, equipping of one or more new  
572.25 schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping  
572.26 of one or more existing schoolhouses. The ballot question or questions submitted by a school  
572.27 board must state the name of the plan or plans being proposed by the district as submitted  
572.28 to the commissioner of education for review and comment under section 123B.71.

572.29 (c) In any city, town, or county, the governing body may, according to its judgment and  
572.30 discretion, submit as a single ballot question or as two or more separate questions in the  
572.31 notice of election and ballots the proposition of their issuance, stated conjunctively or in  
572.32 the alternative, for the acquisition, construction, or improvement of any facilities at one or  
572.33 more locations.

573.1 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,  
 573.2 2018.

573.3 Sec. 8. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 4, is  
 573.4 amended to read:

573.5 Subd. 4. **Equity in telecommunications access aid.** For equity in telecommunications  
 573.6 access aid under Minnesota Statutes, section 125B.26, subdivision 4:

573.7 \$ 3,750,000 ..... 2018

573.8 ~~3,750,000~~

573.9 \$ 3,950,000 ..... 2019

573.10 If the appropriation amount is insufficient, the commissioner shall reduce the  
 573.11 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
 573.12 revenue for fiscal years 2018 and 2019 shall be prorated.

573.13 Any balance in the first year does not cancel but is available in the second year.

573.14 Sec. 9. **CANCELLATION OF UNSPENT REGIONAL LIBRARIES**  
 573.15 **TELECOMMUNICATIONS AID.**

573.16 The commissioner of education must cancel any unspent regional libraries  
 573.17 telecommunications aid for fiscal years 2018 and 2019, estimated at \$350,000, to the general  
 573.18 fund on June 30, 2019. Any amount reduced under this section must be reduced from the  
 573.19 fiscal year 2019 current year aid payment under Minnesota Statutes, section 127A.45,  
 573.20 subdivision 2.

573.21 **EFFECTIVE DATE.** This section is effective June 30, 2018.

573.22 Sec. 10. **APPROPRIATIONS.**

573.23 Subdivision 1. Department of Education. The sum indicated in this section is  
 573.24 appropriated from the general fund to the Department of Education for the fiscal year  
 573.25 designated.

573.26 Subd. 2. **Additional telecommunications equity access aid.** For additional  
 573.27 telecommunications equity access aid under Minnesota Statutes, section 125B.26, subdivision  
 573.28 4a:

573.29 \$ 240,000 ..... 2019

574.1 If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement  
574.2 rate in Minnesota Statutes, section 125B.26, subdivision 4a, and the revenue for fiscal year  
574.3 2019 shall be prorated.

## 574.4 **ARTICLE 39**

### 574.5 **EARLY EDUCATION**

574.6 Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

574.7 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider  
574.8 must:

574.9 (1) provide instruction through play-based learning to foster children's social and  
574.10 emotional development, cognitive development, physical and motor development, and  
574.11 language and literacy skills, including the native language and literacy skills of English  
574.12 learners, to the extent practicable;

574.13 (2) measure each child's cognitive and social skills using a formative measure aligned  
574.14 to the state's early learning standards when the child enters and again before the child leaves  
574.15 the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate  
574.16 versions from the state-approved menu of kindergarten entry profile measures;

574.17 (3) provide comprehensive program content including the implementation of curriculum,  
574.18 assessment, and instructional strategies aligned with the state early learning standards, and  
574.19 kindergarten through grade 3 academic standards;

574.20 (4) provide instructional content and activities that are of sufficient length and intensity  
574.21 to address learning needs including offering a program with at least 350 hours of instruction  
574.22 per school year for a prekindergarten student;

574.23 (5) provide voluntary prekindergarten instructional staff salaries comparable to the  
574.24 salaries of local kindergarten through grade 12 instructional staff;

574.25 (6) coordinate appropriate kindergarten transition with families, community-based  
574.26 prekindergarten programs, and school district kindergarten programs;

574.27 (7) involve parents in program planning and transition planning by implementing parent  
574.28 engagement strategies that include culturally and linguistically responsive activities in  
574.29 prekindergarten through third grade that are aligned with early childhood family education  
574.30 under section 124D.13;

574.31 (8) coordinate with relevant community-based services, including health and social  
574.32 service agencies, to ensure children have access to comprehensive services;

575.1 (9) coordinate with all relevant school district programs and services including early  
575.2 childhood special education, homeless students, and English learners;

575.3 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

575.4 (11) provide high-quality coordinated professional development, training, and coaching  
575.5 for both school district and community-based early learning providers that is informed by  
575.6 a measure of adult-child interactions and enables teachers to be highly knowledgeable in  
575.7 early childhood curriculum content, assessment, native and English language development  
575.8 programs, and instruction; and

575.9 (12) implement strategies that support the alignment of professional development,  
575.10 instruction, assessments, and prekindergarten through grade 3 curricula.

575.11 (b) A voluntary prekindergarten program must have teachers knowledgeable in early  
575.12 childhood curriculum content, assessment, native and English language programs, and  
575.13 instruction.

575.14 (c) Districts and charter schools must include their strategy for implementing and  
575.15 measuring the impact of their voluntary prekindergarten program under section 120B.11  
575.16 and provide results in their world's best workforce annual summary to the commissioner of  
575.17 education.

575.18 Sec. 2. Minnesota Statutes 2016, section 124D.151, subdivision 3, is amended to read:

575.19 Subd. 3. **Mixed delivery of services.** (a) A district or charter school may contract with  
575.20 a charter school, Head Start or child care centers, family child care programs licensed under  
575.21 section 245A.03, or a community-based organization to provide eligible children with  
575.22 developmentally appropriate services that meet the program requirements in subdivision 2.  
575.23 Components of a mixed-delivery plan include strategies for recruitment, contracting, and  
575.24 monitoring of fiscal compliance and program quality.

575.25 (b) For fiscal year 2020 and later, for any district or charter school serving more children  
575.26 under this section than in fiscal year 2019, the district or charter school must contract with  
575.27 a three- or four-star Parent Aware rated program operated by a charter school, Head Start,  
575.28 child care center, licensed family child care, or community-based organization for at least  
575.29 40 percent of the spaces for the additional eligible children.

576.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended  
576.2 to read:

576.3 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~  
576.4 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~  
576.5 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018  
576.6 ~~and later,~~ a district or charter school must submit an application to the commissioner by  
576.7 January 30 of the fiscal year prior to the fiscal year in which the program will be  
576.8 implemented. The application must include:

576.9 (1) a description of the proposed program, including the number of hours per week the  
576.10 program will be offered at each school site or mixed-delivery location;

576.11 (2) an estimate of the number of eligible children to be served in the program at each  
576.12 school site or mixed-delivery location; and

576.13 (3) a statement of assurances signed by the superintendent or charter school director that  
576.14 the proposed program meets the requirements of subdivision 2.

576.15 (b) The commissioner must review all applications submitted ~~for fiscal year 2017 by~~  
576.16 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~  
576.17 by March 1 of the fiscal year in which the applications are received and determine whether  
576.18 each application meets the requirements of paragraph (a).

576.19 (c) The commissioner must divide all applications for new or expanded voluntary  
576.20 prekindergarten programs under this section meeting the requirements of paragraph (a) and  
576.21 school readiness plus programs into four groups as follows: the Minneapolis and St. Paul  
576.22 school districts; other school districts located in the metropolitan equity region as defined  
576.23 in section 126C.10, subdivision 28; school districts located in the rural equity region as  
576.24 defined in section 126C.10, subdivision 28; and charter schools. Within each group, the  
576.25 applications must be ordered by rank using a sliding scale based on the following criteria:

576.26 (1) concentration of kindergarten students eligible for free or reduced-price lunches by  
576.27 school site on October 1 of the previous school year. A school site may contract to partner  
576.28 with a community-based provider or Head Start under subdivision 3 or establish an early  
576.29 childhood center and use the concentration of kindergarten students eligible for free or  
576.30 reduced-price meals from a specific school site as long as those eligible children are  
576.31 prioritized and guaranteed services at the mixed-delivery site or early education center. For  
576.32 school district programs to be operated at locations that do not have free and reduced-price  
576.33 lunch concentration data for kindergarten programs for October 1 of the previous school  
576.34 year, including mixed-delivery programs, the school district average concentration of

577.1 kindergarten students eligible for free or reduced-price lunches must be used for the rank  
577.2 ordering;

577.3 (2) presence or absence of a three- or four-star Parent Aware rated program within the  
577.4 school district or close proximity of the district. School sites with the highest concentration  
577.5 of kindergarten students eligible for free or reduced-price lunches that do not have a three-  
577.6 or four-star Parent Aware program within the district or close proximity of the district shall  
577.7 receive the highest priority, and school sites with the lowest concentration of kindergarten  
577.8 students eligible for free or reduced-price lunches that have a three- or four-star Parent  
577.9 Aware rated program within the district or close proximity of the district shall receive the  
577.10 lowest priority; and

577.11 (3) whether the district has implemented a mixed delivery system.

577.12 (d) The limit on participation for the programs as specified in subdivision 6 must initially  
577.13 be allocated among the four groups based on each group's percentage share of the statewide  
577.14 kindergarten enrollment on October 1 of the previous school year. Within each group, the  
577.15 participation limit for fiscal years 2018 and 2019 must first be allocated to school sites  
577.16 approved for aid in the previous year to ensure that those sites are funded for the same  
577.17 number of participants as approved for the previous year. The remainder of the participation  
577.18 limit for each group must be allocated among school sites in priority order until that region's  
577.19 share of the participation limit is reached. If the participation limit is not reached for all  
577.20 groups, the remaining amount must be allocated to the highest priority school sites, as  
577.21 designated under this section, not funded in the initial allocation on a statewide basis. For  
577.22 fiscal year 2020 and later, the participation limit must first be allocated to school sites  
577.23 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year  
577.24 2018 based on the statewide rankings under paragraph (c).

577.25 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid  
577.26 under this subdivision, it shall remain eligible for aid if it continues to meet program  
577.27 requirements, regardless of changes in the concentration of students eligible for free or  
577.28 reduced-price lunches.

577.29 (f) If the total number of participants approved based on applications submitted under  
577.30 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must  
577.31 notify all school districts and charter schools of the amount that remains available within  
577.32 30 days of the initial application deadline under paragraph (a), and complete a second round  
577.33 of allocations based on applications received within 60 days of the initial application deadline.

578.1 (g) Procedures for approving applications submitted under paragraph (f) shall be the  
 578.2 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the  
 578.3 highest priority school sites not funded in the initial allocation on a statewide basis.

578.4 (h) For fiscal year 2020 and later, the commissioner may waive the mixed-delivery  
 578.5 requirements under subdivisions 3 and 6 for an otherwise qualified applicant that provides  
 578.6 documented evidence that the school district or charter school was unable to provide a  
 578.7 mixed-delivery program because of the unavailability of providers willing to contract with  
 578.8 the school district or charter school or other factors beyond their control.

578.9 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended  
 578.10 to read:

578.11 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,  
 578.12 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school  
 578.13 district or charter school must not exceed 60 percent of the kindergarten pupil units for that  
 578.14 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

578.15 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~  
 578.16 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~  
 578.17 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~  
 578.18 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

578.19 ~~(e)~~ (b) The commissioner must limit the total number of funded participants in the  
 578.20 voluntary prekindergarten program under this section to not more than 3,160.

578.21 ~~(d)~~ (c) Notwithstanding paragraph ~~(e)~~ (b), the commissioner must limit the total number  
 578.22 of participants in the voluntary prekindergarten and school readiness plus programs to not  
 578.23 more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.

578.24 (d) For fiscal year 2020 and later, at least 40 percent of the number of program  
 578.25 participants served under this section in excess of 3,160 participants must be served through  
 578.26 a mixed delivery of services according to subdivision 3.

578.27 Sec. 5. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 6, is  
 578.28 amended to read:

578.29 Subd. 6. **No supplanting.** For a site first qualifying in fiscal year 2018 or ~~2019~~ later,  
 578.30 ~~mixed delivery revenue, including~~ voluntary prekindergarten and school readiness plus  
 578.31 program revenue; must be used to supplement not supplant existing state, federal, and local  
 578.32 revenue for prekindergarten activities.

579.1

**ARTICLE 40**

579.2

**STATE AGENCIES**

579.3 Section 1. Laws 2017, First Special Session chapter 5, article 11, section 9, subdivision  
579.4 2, is amended to read:

579.5 Subd. 2. **Department.** (a) For the Department of Education:

579.6 \$ 27,158,000 ..... 2018

579.7 ~~24,874,000~~

579.8 \$ 24,673,000 ..... 2019

579.9 Of these amounts:

579.10 (1) \$231,000 each year is for the Board of School Administrators, and beginning in fiscal  
579.11 year 2020, the amount indicated is from the educator licensure account in the special revenue  
579.12 fund;

579.13 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,  
579.14 section 120B.115;

579.15 (3) \$500,000 each year is for the school safety technical assistance center under Minnesota  
579.16 Statutes, section 127A.052;

579.17 (4) \$250,000 each year is for the School Finance Division to enhance financial data  
579.18 analysis;

579.19 (5) \$720,000 each year is for implementing Minnesota's Learning for English Academic  
579.20 Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

579.21 (6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department  
579.22 of Education's mainframe update;

579.23 (7) \$123,000 each year is for a dyslexia specialist; ~~and~~

579.24 (8) \$2,000,000 each year is for legal fees and costs associated with litigation; and

579.25 (9) \$185,000 in fiscal year 2019 is for the Turnaround Arts program.

579.26 (b) Any balance in the first year does not cancel but is available in the second year.

579.27 (c) None of the amounts appropriated under this subdivision may be used for Minnesota's  
579.28 Washington, D.C. office.

579.29 (d) The expenditures of federal grants and aids as shown in the biennial budget document  
579.30 and its supplements are approved and appropriated and shall be spent as indicated.

580.1 (e) This appropriation includes funds for information technology project services and  
 580.2 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing  
 580.3 information technology costs will be incorporated into the service level agreement and will  
 580.4 be paid to the Office of MN.IT Services by the Department of Education under the rates  
 580.5 and mechanism specified in that agreement.

580.6 (f) The agency's base is ~~\$22,054,000~~ \$22,014,000 for fiscal year 2020 and \$21,965,000  
 580.7 for 2021.

580.8 Sec. 2. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to  
 580.9 read:

580.10 Sec. 12. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

580.11 (a) The sums in this section are appropriated from the general fund to the Perpich Center  
 580.12 for Arts Education for the fiscal years designated:

580.13		<del>8,173,000</del>		
580.14	\$	<u>7,388,000</u>	.....	2018
580.15		<del>6,973,000</del>		
580.16	\$	<u>6,396,000</u>	.....	2019

580.17 (b) Of the amounts appropriated in paragraph (a), \$370,000 is for fiscal ~~years~~ year 2018  
 580.18 or 2019 only for arts integration and Turnaround Arts programs.

580.19 (c) ~~\$1,200,000~~ \$415,000 in fiscal year 2018 is for severance payments related to the  
 580.20 closure of Crosswinds school and is available until June 30, 2019.

580.21 (d) The base in fiscal year 2020 is \$6,521,000.

## 580.22 **ARTICLE 41**

### 580.23 **FORECAST ADJUSTMENTS**

#### 580.24 **A. GENERAL EDUCATION**

580.25 Section 1. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision  
 580.26 4, is amended to read:

580.27 Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

580.28		<del>2,374,000</del>		
580.29	\$	<u>2,584,000</u>	.....	2018
580.30		<del>2,163,000</del>		
580.31	\$	<u>3,218,000</u>	.....	2019

581.1 The 2018 appropriation includes \$262,000 for 2017 and ~~\$2,112,000~~ \$2,322,000 for  
581.2 2018.

581.3 The 2019 appropriation includes ~~\$234,000~~ \$258,000 for 2018 and ~~\$1,929,000~~ \$2,960,000  
581.4 for 2019.

581.5 **EFFECTIVE DATE.** This section is effective June 30, 2018.

581.6 Sec. 2. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 5, is  
581.7 amended to read:

581.8 Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota  
581.9 Statutes, section 123A.485:

581.10 ~~185,000~~  
581.11 \$ 0 ..... 2018

581.12 ~~382,000~~  
581.13 \$ 270,000 ..... 2019

581.14 The 2018 appropriation includes \$0 for 2017 and ~~\$185,000~~ \$0 for 2018.

581.15 The 2019 appropriation includes ~~\$20,000~~ \$0 for 2018 and ~~\$362,000~~ \$270,000 for 2019.

581.16 **EFFECTIVE DATE.** This section is effective June 30, 2018.

581.17 Sec. 3. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 6, is  
581.18 amended to read:

581.19 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
581.20 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

581.21 ~~18,197,000~~  
581.22 \$ 17,779,000 ..... 2018

581.23 ~~19,225,000~~  
581.24 \$ 17,910,000 ..... 2019

581.25 The 2018 appropriation includes \$1,687,000 for 2017 and ~~\$16,510,000~~ \$16,092,000 for  
581.26 2018.

581.27 The 2019 appropriation includes ~~\$1,834,000~~ \$1,787,000 for 2018 and ~~\$17,391,000~~  
581.28 \$16,123,000 for 2019.

581.29 **EFFECTIVE DATE.** This section is effective June 30, 2018.

582.1 Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 7, is  
582.2 amended to read:

582.3 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under  
582.4 Minnesota Statutes, section 123B.92, subdivision 9:

582.5		<del>18,372,000</del>		
582.6	\$	<u>17,549,000</u>	.....	2018
582.7		<del>18,541,000</del>		
582.8	\$	<u>18,309,000</u>	.....	2019

582.9 The 2018 appropriation includes \$1,835,000 for 2017 and ~~\$16,537,000~~ \$15,714,000 for  
582.10 2018.

582.11 The 2019 appropriation includes ~~\$1,837,000~~ \$1,745,000 for 2018 and ~~\$16,704,000~~  
582.12 \$16,564,000 for 2019.

582.13 **EFFECTIVE DATE.** This section is effective June 30, 2018.

582.14 Sec. 5. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 9, is  
582.15 amended to read:

582.16 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota  
582.17 Statutes, section 124D.4531, subdivision 1b:

582.18		<del>4,561,000</del>		
582.19	\$	<u>4,757,000</u>	.....	2018
582.20		<del>4,125,000</del>		
582.21	\$	<u>4,384,000</u>	.....	2019

582.22 The 2018 appropriation includes \$476,000 for 2017 and ~~\$4,085,000~~ \$4,281,000 for  
582.23 2018.

582.24 The 2019 appropriation includes ~~\$453,000~~ \$475,000 for 2018 and ~~\$3,672,000~~ \$3,909,000  
582.25 for 2019.

582.26 **EFFECTIVE DATE.** This section is effective June 30, 2018.

## 582.27 B. EDUCATION EXCELLENCE

582.28 Sec. 6. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 2, is  
582.29 amended to read:

582.30 Subd. 2. **Achievement and integration aid.** For achievement and integration aid under  
582.31 Minnesota Statutes, section 124D.862:

582.32		<del>71,249,000</del>		
582.33	\$	<u>71,693,000</u>	.....	2018

583.1 ~~73,267,000~~  
 583.2 \$ 73,926,000 ..... 2019

583.3 The 2018 appropriation includes \$6,725,000 for 2017 and ~~\$64,524,000~~ \$64,968,000 for  
 583.4 2018.

583.5 The 2019 appropriation includes ~~\$7,169,000~~ \$7,218,000 for 2018 and ~~\$66,098,000~~  
 583.6 \$66,708,000 for 2019.

583.7 **EFFECTIVE DATE.** This section is effective June 30, 2018.

583.8 Sec. 7. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 3, is  
 583.9 amended to read:

583.10 Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes,  
 583.11 section 124D.98:

583.12 ~~47,264,000~~  
 583.13 \$ 46,517,000 ..... 2018

583.14 ~~47,763,000~~  
 583.15 \$ 46,188,000 ..... 2019

583.16 The 2018 appropriation includes \$4,597,000 for 2017 and ~~\$42,667,000~~ \$41,920,000 for  
 583.17 2018.

583.18 The 2019 appropriation includes ~~\$4,740,000~~ \$4,657,000 for 2018 and ~~\$43,023,000~~  
 583.19 \$41,531,000 for 2019.

583.20 **EFFECTIVE DATE.** This section is effective June 30, 2018.

583.21 Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 4, is  
 583.22 amended to read:

583.23 Subd. 4. **Interdistrict desegregation or integration transportation grants.** For  
 583.24 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 583.25 section 124D.87:

583.26 ~~13,337,000~~  
 583.27 \$ 14,328,000 ..... 2018

583.28 ~~14,075,000~~  
 583.29 \$ 15,065,000 ..... 2019

583.30 **EFFECTIVE DATE.** This section is effective June 30, 2018.

584.1 Sec. 9. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 5, is  
584.2 amended to read:

584.3 Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes,  
584.4 section 124D.83:

584.5		<del>3,623,000</del>		
584.6	\$	<u>2,954,000</u>	.....	2018
584.7		<del>4,018,000</del>		
584.8	\$	<u>3,381,000</u>	.....	2019

584.9 The 2018 appropriation includes \$323,000 for 2017 and ~~\$3,300,000~~ \$2,631,000 for  
584.10 2018.

584.11 The 2019 appropriation includes ~~\$366,000~~ \$292,000 for 2018 and ~~\$3,652,000~~ \$3,089,000  
584.12 for 2019.

584.13 **EFFECTIVE DATE.** This section is effective June 30, 2018.

584.14 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 6,  
584.15 is amended to read:

584.16 Subd. 6. **American Indian education aid.** For American Indian education aid under  
584.17 Minnesota Statutes, section 124D.81, subdivision 2a:

584.18	\$	9,244,000	.....	2018
584.19		<del>9,464,000</del>		
584.20	\$	<u>9,409,000</u>	.....	2019

584.21 The 2018 appropriation includes \$886,000 for 2017 and \$8,358,000 for 2018.

584.22 The 2019 appropriation includes \$928,000 for 2018 and ~~\$8,536,000~~ \$8,481,000 for  
584.23 2019.

584.24 **EFFECTIVE DATE.** This section is effective June 30, 2018.

584.25 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 21,  
584.26 is amended to read:

584.27 Subd. 21. **Charter school building lease aid.** For building lease aid under Minnesota  
584.28 Statutes, section 124E.22:

584.29		<del>73,341,000</del>		
584.30	\$	<u>73,334,000</u>	.....	2018
584.31		<del>78,802,000</del>		
584.32	\$	<u>79,098,000</u>	.....	2019

585.1 The 2018 appropriation includes \$6,850,000 for 2017 and ~~\$66,491,000~~ \$66,484,000 for  
585.2 2018.

585.3 The 2019 appropriation includes \$7,387,000 for 2018 and ~~\$71,415,000~~ \$71,711,000 for  
585.4 2019.

585.5 **EFFECTIVE DATE.** This section is effective June 30, 2018.

585.6 Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26,  
585.7 is amended to read:

585.8 Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation  
585.9 aid under Minnesota Statutes, section 122A.415, subdivision 4:

585.10 ~~89,863,000~~  
585.11 \$ 90,131,000 ..... 2018

585.12 ~~89,623,000~~  
585.13 \$ 89,789,000 ..... 2019

585.14 The 2018 appropriation includes \$8,917,000 for 2017 and ~~\$80,946,000~~ \$81,214,000 for  
585.15 2018.

585.16 The 2019 appropriation includes ~~\$8,994,000~~ \$9,023,000 for 2018 and ~~\$80,629,000~~  
585.17 \$80,766,000 for 2019.

585.18 **EFFECTIVE DATE.** This section is effective June 30, 2018.

### 585.19 C. SPECIAL EDUCATION

585.20 Sec. 13. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2,  
585.21 as amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

585.22 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,  
585.23 section 125A.75:

585.24 ~~1,341,161,000~~  
585.25 \$ 1,366,903,000 ..... 2018

585.26 ~~1,426,827,000~~  
585.27 \$ 1,467,921,000 ..... 2019

585.28 The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~  
585.29 \$1,210,500,000 for 2018.

585.30 The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and  
585.31 ~~\$1,260,160,000~~ \$1,297,630,000 for 2019.

585.32 **EFFECTIVE DATE.** This section is effective June 30, 2018.

586.1 Sec. 14. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 3,  
586.2 is amended to read:

586.3 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section  
586.4 125A.75, subdivision 3, for children with disabilities placed in residential facilities within  
586.5 the district boundaries for whom no district of residence can be determined:

586.6		<del>1,597,000</del>		
586.7	\$	<u>1,022,000</u>	.....	2018
586.8		<del>1,830,000</del>		
586.9	\$	<u>1,204,000</u>	.....	2019

586.10 If the appropriation for either year is insufficient, the appropriation for the other year is  
586.11 available.

586.12 **EFFECTIVE DATE.** This section is effective June 30, 2018.

586.13 Sec. 15. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 4,  
586.14 is amended to read:

586.15 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
586.16 services under Minnesota Statutes, section 125A.75, subdivision 1:

586.17		<del>508,000</del>		
586.18	\$	<u>412,000</u>	.....	2018
586.19		<del>532,000</del>		
586.20	\$	<u>421,000</u>	.....	2019

586.21 The 2018 appropriation includes \$48,000 for 2017 and ~~\$460,000~~ \$364,000 for 2018.

586.22 The 2019 appropriation includes ~~\$51,000~~ \$40,000 for 2018 and ~~\$481,000~~ \$381,000 for  
586.23 2019.

586.24 **EFFECTIVE DATE.** This section is effective June 30, 2018.

586.25 Sec. 16. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 5,  
586.26 is amended to read:

586.27 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school  
586.28 districts for unreimbursed eligible expenditures attributable to children placed in the serving  
586.29 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

586.30		<del>46,000</del>		
586.31	\$	<u>40,000</u>	.....	2018
586.32		<del>47,000</del>		
586.33	\$	<u>41,000</u>	.....	2019

587.1 **EFFECTIVE DATE.** This section is effective June 30, 2018.

587.2 **D. FACILITIES AND TECHNOLOGY**

587.3 Sec. 17. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 2,  
587.4 is amended to read:

587.5 Subd. 2. **Debt service equalization aid.** For debt service equalization aid under  
587.6 Minnesota Statutes, section 123B.53, subdivision 6:

587.7 \$ 24,908,000 ..... 2018

587.8 ~~22,360,000~~

587.9 \$ 23,137,000 ..... 2019

587.10 The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

587.11 The 2019 appropriation includes \$2,509,000 for 2018 and ~~\$19,851,000~~ \$20,628,000 for  
587.12 2019.

587.13 **EFFECTIVE DATE.** This section is effective June 30, 2018.

587.14 Sec. 18. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 3,  
587.15 is amended to read:

587.16 Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities  
587.17 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

587.18 ~~80,179,000~~

587.19 \$ 81,053,000 ..... 2018

587.20 ~~103,460,000~~

587.21 \$ 102,374,000 ..... 2019

587.22 The 2018 appropriation includes \$5,815,000 for 2017 and ~~\$74,364,000~~ \$75,238,000 for  
587.23 2018.

587.24 The 2019 appropriation includes ~~\$8,262,000~~ \$8,359,000 for 2018 and ~~\$95,198,000~~  
587.25 \$94,015,000 for 2019.

587.26 **EFFECTIVE DATE.** This section is effective June 30, 2018.

587.27 **E. NUTRITION**

587.28 Sec. 19. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 2, is  
587.29 amended to read:

587.30 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,  
587.31 and Code of Federal Regulations, title 7, section 210.17:

588.1 ~~16,721,000~~  
 588.2 \$ 16,143,000 ..... 2018  
 588.3 ~~17,223,000~~  
 588.4 \$ 16,477,000 ..... 2019

588.5 **EFFECTIVE DATE.** This section is effective June 30, 2018.

588.6 Sec. 20. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 3, is  
 588.7 amended to read:

588.8 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes,  
 588.9 section 124D.1158:

588.10 ~~10,601,000~~  
 588.11 \$ 10,474,000 ..... 2018  
 588.12 ~~11,359,000~~  
 588.13 \$ 11,282,000 ..... 2019

588.14 **EFFECTIVE DATE.** This section is effective June 30, 2018.

588.15 Sec. 21. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 4, is  
 588.16 amended to read:

588.17 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,  
 588.18 section 124D.118:

588.19 ~~758,000~~  
 588.20 \$ 734,000 ..... 2018  
 588.21 ~~758,000~~  
 588.22 \$ 734,000 ..... 2019

588.23 **EFFECTIVE DATE.** This section is effective June 30, 2018.

#### 588.24 **F. EARLY CHILDHOOD AND FAMILY SUPPORT**

588.25 Sec. 22. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 5a,  
 588.26 is amended to read:

588.27 Subd. 5a. **Early childhood family education aid.** For early childhood family education  
 588.28 aid under Minnesota Statutes, section 124D.135:

588.29 ~~30,405,000~~  
 588.30 \$ 29,760,000 ..... 2018  
 588.31 ~~31,977,000~~  
 588.32 \$ 30,870,000 ..... 2019

588.33 The 2018 appropriation includes \$2,904,000 for 2017 and ~~\$27,501,000~~ \$26,856,000 for  
 588.34 2018.

589.1 The 2019 appropriation includes ~~\$3,055,000~~ \$2,983,000 for 2018 and ~~\$28,922,000~~  
 589.2 \$27,887,000 for 2019.

589.3 **EFFECTIVE DATE.** This section is effective June 30, 2018.

589.4 Sec. 23. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 6,  
 589.5 is amended to read:

589.6 Subd. 6. **Developmental screening aid.** For developmental screening aid under  
 589.7 Minnesota Statutes, sections 121A.17 and 121A.19:

589.8		<del>3,606,000</del>		
589.9	\$	<u>3,663,000</u>	.....	2018
589.10		<del>3,629,000</del>		
589.11	\$	<u>3,688,000</u>	.....	2019

589.12 The 2018 appropriation includes \$358,000 for 2017 and ~~\$3,248,000~~ \$3,305,000 for  
 589.13 2018.

589.14 The 2019 appropriation includes ~~\$360,000~~ \$367,000 for 2018 and ~~\$3,269,000~~ \$3,321,000  
 589.15 for 2019.

589.16 **EFFECTIVE DATE.** This section is effective June 30, 2018.

589.17 Sec. 24. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 12,  
 589.18 is amended to read:

589.19 Subd. 12. **Home visiting aid.** For home visiting aid under Minnesota Statutes, section  
 589.20 124D.135:

589.21		<del>527,000</del>		
589.22	\$	<u>503,000</u>	.....	2018
589.23		<del>571,000</del>		
589.24	\$	<u>525,000</u>	.....	2019

589.25 The 2018 appropriation includes \$0 for 2017 and ~~\$527,000~~ \$503,000 for 2018.

589.26 The 2019 appropriation includes ~~\$58,000~~ \$55,000 for 2018 and ~~\$513,000~~ \$470,000 for  
 589.27 2019.

589.28 **EFFECTIVE DATE.** This section is effective June 30, 2018.

590.1 **G. COMMUNITY EDUCATION AND PREVENTION**

590.2 Sec. 25. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 2, is  
590.3 amended to read:

590.4 Subd. 2. **Community education aid.** For community education aid under Minnesota  
590.5 Statutes, section 124D.20:

590.6		<del>483,000</del>		
590.7	\$	<u>477,000</u>	.....	2018
590.8		<del>393,000</del>		
590.9	\$	<u>410,000</u>	.....	2019

590.10 The 2018 appropriation includes \$53,000 for 2017 and ~~\$430,000~~ \$424,000 for 2018.

590.11 The 2019 appropriation includes \$47,000 for 2018 and ~~\$346,000~~ \$363,000 for 2019.

590.12 **EFFECTIVE DATE.** This section is effective June 30, 2018.

590.13 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

590.14 Sec. 26. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 2,  
590.15 is amended to read:

590.16 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
590.17 Statutes, section 124D.531:

590.18		<del>50,010,000</del>		
590.19	\$	<u>48,708,000</u>	.....	2018
590.20		<del>51,497,000</del>		
590.21	\$	<u>50,109,000</u>	.....	2019

590.22 The 2018 appropriation includes \$4,881,000 for 2017 and ~~\$45,129,000~~ \$43,827,000 for  
590.23 2018.

590.24 The 2019 appropriation includes ~~\$5,014,000~~ \$4,869,000 for 2018 and ~~\$46,483,000~~  
590.25 \$45,240,000 for 2019.

590.26 **EFFECTIVE DATE.** This section is effective June 30, 2018.

590.27 **ARTICLE 42**590.28 **MISCELLANEOUS FINANCE**

590.29 Section 1. Minnesota Statutes 2016, section 16A.103, subdivision 1, is amended to read:

590.30 Subdivision 1. **State revenue and expenditures.** In February and November each year,  
590.31 the commissioner shall prepare a forecast of state revenue and expenditures. The November  
590.32 forecast must be delivered to the legislature and governor no later than ~~the end of the first~~

591.1 ~~week of December 6.~~ The February forecast must be delivered to the legislature and governor  
591.2 by the end of February. Forecasts must be delivered to the legislature and governor on the  
591.3 same day. If requested by the Legislative Commission on Planning and Fiscal Policy,  
591.4 delivery to the legislature must include a presentation to the commission.

591.5 Sec. 2. Minnesota Statutes 2016, section 16A.103, subdivision 1b, is amended to read:

591.6 Subd. 1b. **Forecast variable.** In determining the amount of state bonding as it affects  
591.7 debt service, the calculation of investment income, and the other variables to be included  
591.8 in the expenditure part of the forecast, the commissioner must consult with the chairs and  
591.9 lead minority members of the senate ~~State Government~~ Finance Committee and the house  
591.10 of representatives Ways and Means Committee, and legislative fiscal staff. This consultation  
591.11 must occur at least three weeks before the forecast is to be released. No later than two weeks  
591.12 prior to the release of the forecast, the commissioner must inform the chairs and lead minority  
591.13 members of the senate ~~State Government~~ Finance Committee and the house of representatives  
591.14 Ways and Means Committee, and legislative fiscal staff of any changes in these variables  
591.15 from the previous forecast.

591.16 Sec. 3. Minnesota Statutes 2016, section 16A.103, is amended by adding a subdivision to  
591.17 read:

591.18 Subd. 1i. **Budget close report.** By September 30 of each odd-numbered year, the  
591.19 commissioner shall prepare a detailed fund balance analysis of the general fund for the  
591.20 previous biennium. The analysis shall include a comparison to the most recent publicly  
591.21 available fund balance analysis of the general fund. The commissioner shall provide this  
591.22 analysis to the chairs and ranking minority members of the house of representatives Ways  
591.23 and Means Committee and the senate Finance Committee, and shall post the analysis on  
591.24 the agency's Web site.

591.25 Sec. 4. Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2, is amended  
591.26 to read:

591.27 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund  
591.28 revenues and expenditures, the commissioner of management and budget determines that  
591.29 there will be a positive unrestricted budgetary general fund balance at the close of the  
591.30 biennium, the commissioner of management and budget must allocate money to the following  
591.31 accounts and purposes in priority order:

592.1 (1) the cash flow account established in subdivision 1 until that account reaches  
592.2 \$350,000,000;

592.3 (2) the budget reserve account established in subdivision 1a until that account reaches  
592.4 \$1,596,522,000;

592.5 (3) the amount necessary to increase the aid payment schedule for school district aids  
592.6 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest  
592.7 tenth of a percent without exceeding the amount available and with any remaining funds  
592.8 deposited in the budget reserve; and

592.9 (4) the amount necessary to restore all or a portion of the net aid reductions under section  
592.10 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,  
592.11 subdivision 5, by the same amount; ~~and~~

592.12 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~  
592.13 ~~transferred into the fund.~~

592.14 (b) The amounts necessary to meet the requirements of this section are appropriated  
592.15 from the general fund within two weeks after the forecast is released or, in the case of  
592.16 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
592.17 schedules otherwise established in statute.

592.18 (c) The commissioner of management and budget shall certify the total dollar amount  
592.19 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.  
592.20 The commissioner of education shall increase the aid payment percentage and reduce the  
592.21 property tax shift percentage by these amounts and apply those reductions to the current  
592.22 fiscal year and thereafter.

592.23 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~  
592.24 ~~made.~~

592.25 Sec. 5. Minnesota Statutes 2016, section 16A.97, is amended to read:

592.26 **16A.97 TOBACCO BONDS.**

592.27 The commissioner may sell and issue debt under ~~either or both of sections 16A.98 and~~  
592.28 section 16A.99, but the net proceeds of bonds issued and sold under ~~those sections together~~  
592.29 that section must not exceed \$640,000,000 during fiscal years 2012 and 2013.

593.1 Sec. 6. Minnesota Statutes 2016, section 16E.21, subdivision 3, is amended to read:

593.2 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be transferred  
593.3 to the information and telecommunications technology systems and services account under  
593.4 subdivision 2 or section 16E.0466 until the commissioner of management and budget has  
593.5 submitted the proposed transfer to the members of the Legislative Advisory Commission  
593.6 for review and recommendation.

593.7 (b) If the proposed transfer is less than \$500,000 and the commission makes a positive  
593.8 recommendation or no recommendation, or if the commission has not reviewed the request  
593.9 within 20 days after the date the request to transfer funds was submitted, the commissioner  
593.10 of management and budget may approve the request to transfer the funds. If the proposed  
593.11 transfer is less than \$500,000 and the commission recommends further review of a request  
593.12 to transfer funds, the commissioner shall provide additional information to the commission  
593.13 within 20 days. If the commission makes a negative recommendation on the request under  
593.14 this paragraph within ~~ten~~ 15 days of receiving further information, the commissioner shall  
593.15 not approve the fund transfer. If the commission makes a positive recommendation or no  
593.16 recommendation within ~~ten~~ 15 days of receiving further information, the commissioner may  
593.17 approve the fund transfer.

593.18 (c) If the proposed transfer is \$500,000 or more and the commission makes a positive  
593.19 recommendation within 20 days after the date the request to transfer funds was submitted,  
593.20 the commissioner of management and budget may approve the request to transfer the funds.  
593.21 If the proposed transfer is \$500,000 or more and the commission recommends further review  
593.22 of a request to transfer funds or makes no recommendation, the commissioner shall provide  
593.23 additional information to the commission within 20 days. If the commission makes a negative  
593.24 recommendation or no recommendation on the request under this paragraph within 15 days  
593.25 of receiving further information, the commissioner shall not approve the fund transfer. If  
593.26 the commission makes a positive recommendation under this paragraph within 15 days of  
593.27 receiving further information, the commissioner may approve the fund transfer.

593.28 ~~(b)~~ (d) A recommendation of the commission under this section must be made at a  
593.29 meeting of the commission unless a written recommendation is signed by ~~all~~ a majority of  
593.30 members entitled to vote on the item as specified in section 3.30, subdivision 2. A  
593.31 recommendation of the commission must be made by a majority of the commission.

594.1 Sec. 7. Minnesota Statutes 2016, section 299A.707, is amended by adding a subdivision  
594.2 to read:

594.3 Subd. 6. **Annual transfer.** In fiscal year 2018 and each year thereafter, the commissioner  
594.4 of management and budget shall transfer \$461,000 from the general fund to the community  
594.5 justice reinvestment account.

594.6 Sec. 8. Laws 2017, First Special Session chapter 1, article 4, section 31, is amended to  
594.7 read:

594.8 Sec. 31. **APPROPRIATION; FIRE REMEDIATION GRANTS.**

594.9 \$1,392,258 is appropriated in fiscal year 2018 from the general fund to the commissioner  
594.10 of public safety for grants to remediate the effects of fires in the city of Melrose on September  
594.11 8, 2016. The commissioner must allocate the grants as follows:

594.12 (1) \$1,296,458 to the city of Melrose; and

594.13 (2) \$95,800 to Stearns County.

594.14 A grant recipient must use the money appropriated under this section for remediation  
594.15 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel  
594.16 costs, reimbursement for equipment costs, and reimbursements for property tax abatements,  
594.17 incurred by public or private entities as a result of the fires. This is a onetime appropriation  
594.18 and is available until June 30, ~~2018~~ 2019.

594.19 **EFFECTIVE DATE.** This section is effective June 1, 2018.

594.20 Sec. 9. **TRANSFER; FEDERAL DISASTER, DR-4069.**

594.21 The commissioner of management and budget must transfer any unexpended balance  
594.22 appropriated to the Department of Public Safety for Federal Disaster DR-4069 under Laws  
594.23 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, as amended by  
594.24 Laws 2013, First Special Session chapter 1, section 2, paragraph (a), to the disaster  
594.25 contingency account in Minnesota Statutes, section 12.221, subdivision 6. This is a onetime  
594.26 transfer.

594.27 Sec. 10. **REPEALER.**

594.28 Minnesota Statutes 2016, section 16A.98, is repealed.

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**16A.98 TOBACCO SECURITIZATION BONDS.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Authority" means the Tobacco Securitization Authority created and established under subdivision 3.

(b) "Authorized officer" means any of the members of the authority identified and described in subdivision 3.

(c) "Bond" means any instrument evidencing the obligation to pay money authorized or issued by the authority as provided by this section, including without limitation, bonds, notes, or certificates.

(d) "Bondholder" means, in the case of a bond issued in registered form, the registered owner of the bond and otherwise, the owner of the bond.

(e) "Commissioner" means the commissioner of management and budget.

(f) "Consent judgment" means the consent judgment, as the same has been and may be corrected, amended, or modified, in the action styled as The State of Minnesota, By Hubert Humphrey, III, Its attorney general, and Blue Cross and Blue Shield of Minnesota v. Philip Morris Incorporated, et al., No. C1-94-8565 (Minnesota District Court, Second Judicial District, May 8, 1998).

(g) "General tobacco subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for the net proceeds of bonds.

(h) "Settlement agreement" means the settlement agreement and stipulation for entry of consent judgment, dated May 8, 1998, between the State of Minnesota, By Hubert Humphrey, III, Its attorney general, and Blue Cross and Blue Shield of Minnesota, on the one hand, and Philip Morris Incorporated, et al., on the other hand, and the subject of the consent judgment.

(i) "Net proceeds of bonds" means the gross proceeds of the sale of bonds issued under subdivision 5, less any amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, to pay capitalized interest and to fund any reserves deemed necessary or appropriate by the authority, but does not include any investment earnings realized thereon.

(j) "Participating manufacturer" means a tobacco product manufacturer that is or becomes a signatory to the settlement agreement.

(k) "Pledged tobacco revenues" means the state's tobacco settlement revenues sold to the authority under the sale agreement and pledged by the authority for the payment of bonds and any related bond facility.

(l) "Related bond facility" means any interest rate exchange or similar agreement or any bond insurance policy, letter of credit or other credit enhancement facility, liquidity facility, guaranteed investment or reinvestment agreement, or other similar agreement, arrangement, or contract.

(m) "Residual amount in tobacco settlement revenues" means any tobacco settlement revenues determined as moneys received but not required for the identified period in which revenues are received, to pay principal or interest on bonds or administrative or transaction expenses of the authority, or to fund reserves or other requirements relating to bonds issued or related bond facilities made under this section.

(n) "Sale agreement" means any agreement authorized as provided in this section in which the state provides for the sale of all or a portion of the tobacco settlement revenues to the authority.

(o) "State" means the state of Minnesota.

(p) "Tobacco settlement bond proceeds fund" is established within the state treasury and consists of the net proceeds from any sale, conveyance, or transfer of the state's tobacco settlement revenues from the authority.

(q) "Tobacco settlement recovery account" is the account established by the authority outside of the state's treasury.

(r) "Tobacco settlement revenues subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for receipt of tobacco settlement revenues and for payment of debt service of bonds authorized under this section.

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(s) "Tobacco settlement residual subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for receipt of the residual amount in the tobacco settlement revenues subaccount.

(t) "Tobacco settlement revenues" means all tobacco settlement payments received by the state on and after July 21, 2011, and required to be made under the terms of the settlement agreement by participating manufacturers, and the state's rights to receive the tobacco settlement payments on and after July 21, 2011, exclusive of any payments made with respect to liability to make those payments for calendar years completed before July 21, 2011.

**Subd. 2. Ownership, transfer, and sale of state's right to tobacco settlement revenues.** All tobacco settlement revenues received and to be received by the state are the property of the state, to be used as provided by law, including a sale, assignment, or transfer of the right to receive the tobacco settlement revenues under this subdivision. During fiscal years 2012 and 2013, the commissioner may sell, convey, or otherwise transfer to the authority, and may take any action necessary to facilitate and complete the sale, conveyance, or transfer to the authority, the tobacco settlement revenues in exchange for the net proceeds of bonds and a right to the residual amount in the tobacco settlement revenues subaccount. Unless otherwise directed by statute, the net proceeds of any such sale, conveyance, or transfer shall be deposited in the general tobacco subaccount. The authority's purchased interest in tobacco settlement revenues received by the state from time to time shall be deposited in the tobacco settlement revenues subaccount, and the residual amount in tobacco settlement revenues received by the state from time to time shall be deposited in the tobacco settlement residual subaccount, in each case to be applied for the purposes and in the manner described in this section.

Any sale, conveyance, or other transfer authorized by this subdivision shall be evidenced by an instrument or agreement in writing signed on behalf of the state by the commissioner. A certified copy of the instrument or agreement shall be filed with the commissioner and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee promptly upon execution and delivery thereof. The instrument or agreement shall require, as a condition of the sale, conveyance, or other transfer, that the authority notify the commissioner promptly upon the issuance, sale, and delivery thereof if any bonds are issued that are secured by any of the tobacco settlement revenues and provide the commissioner with all information on the distribution of the bond proceeds. The commissioner shall submit a report to the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee that includes all of the information provided to the commissioner by the authority under this subdivision. The instrument or agreement may include an irrevocable direction to pay all or a specified portion of the tobacco settlement revenues directly to or upon the order of the authority, or to any escrow agent or any trustee under an indenture or other agreement securing any bonds issued or related bond facilities made under this section. Upon execution and delivery of the sale agreement as provided in this section, the sale, conveyance, or other transfer of the right to receive the tobacco settlement revenues, shall, for all purposes, be a true sale and absolute conveyance of all right, title, and interest therein and not as a pledge or other security interest for any borrowing, valid, binding, and enforceable in accordance with the terms thereof and such instrument or agreements and any related instrument, agreement, or other arrangement, including any pledge, grant of security interest, or other encumbrance made by authority to secure any bonds issued by the authority, and shall not be subject to disavowal, disaffirmance, cancellation, or avoidance by reason of insolvency of any party, lack of consideration, or any other fact, occurrence, or rule of law. On and after the effective date of the sale of any portion, including all of the tobacco settlement revenues, the state shall have no right, title, or interest in or to the portion of the tobacco settlement revenues sold, and the portion of the tobacco settlement revenues sold shall be the property of the authority, and shall be received, held, and disbursed by the authority in a trust fund outside the state treasury. Any portions of the tobacco settlement revenues sold to the authority and held in trust may be invested in investments and deposit accounts or certificates, and with security, agreed upon with the bondholders or a trustee for the bondholders.

The procedures and requirements set forth in this subdivision shall be the sole procedures and requirements applicable to the sale of the tobacco settlement revenues.

**Subd. 3. Establishment and powers of authority.** (a) The authority is hereby established as a body corporate and politic and a public instrumentality of, but having a legal existence independent and separate from the state and, accordingly, the assets, liabilities, and funds of the authority shall be neither consolidated nor commingled with those of the state treasury, provided that the assets, liabilities, and funds of the authority shall be held by a duly designated agent or fiduciary of the authority. If the authority does not designate a fiduciary or an agent for the purposes of this subdivision, the assets and funds of the authority shall be held in the state treasury. The authority

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and its corporate existence shall continue until 12 months after all its liabilities have been met or otherwise discharged. Upon the termination of the existence of the authority, all of its rights and property shall pass to and be vested in the state. The authority shall be established for the express limited public purposes set forth in this section, and no part of the net earnings of the authority shall inure to any private individual.

(b) The authority shall be governed by a three-member board consisting of the commissioner, the commissioner of revenue, and the commissioner of health. The commissioner shall serve as the chair and chief executive officer of the authority, who shall sign instruments or agreements authorized by this section on behalf of the authority; provided that the authority may by resolution authorize a member other than the commissioner to sign authorized instruments or agreements. The authority may elect other officers as necessary from its members. The authority may also appoint a nonremunerated chief financial officer who may or may not be a member of the authority in order to provide financial analysis and advice regarding any transaction of the authority. The powers of the authority shall be subject to the terms, conditions, and limitations contained within this section, and any applicable covenants or agreements of the authority in any indenture or other agreement relating to any then outstanding bonds or related bond facilities. The authority may enter into contracts regarding any matter connected with any corporate purpose within the objects and purposes of this section. The members of the authority shall receive no salary or other compensation, either direct or indirect, for serving as members of the authority, other than reimbursement for actual and necessary expenses incurred in the performance of such person's duties. Notwithstanding the foregoing, the authority shall not be authorized to make any covenant, pledge, promise, or agreement purporting to bind the state with respect to tobacco settlement revenues, except as otherwise specifically authorized by this section.

(c) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(d) The authority may conduct its business as provided under section 13D.015, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

(e) The authority may not file a voluntary petition under or be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or state bankruptcy, insolvency, or moratorium law or statute as may, from time to time, be in effect, and neither any public officer nor any organization, entity, or other person shall authorize the authority to be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or state bankruptcy, insolvency, or moratorium law or statute, as may, from time to time be in effect.

(f) The authority may not guarantee the debts of another.

(g) The commissioner shall provide administrative services to the authority.

(h) The authority may accept appropriations, gifts, grants, bequests, and devises, and use or dispose of them for its purposes. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority.

(i) Proceeds of the authority's bonds, notes, and other obligations; amounts granted or appropriated to the authority for bond debt service reserves; income from investment; money in the funds; and all revenues from fees and charges of the authority including rentals, royalties, dividends, or other proceeds are annually appropriated to the authority for the accomplishment of its corporate purposes and must be spent, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority. Notwithstanding section 16A.28, these appropriations are available until expended.

Subd. 4. **Certain powers of the authority.** The authority shall have the power to:

(1) sue and be sued;

(2) have a seal and alter the same at pleasure;

(3) make and alter bylaws for its organization and internal management;

(4) make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this subdivision, including without limitation the purchase from the state of all or a portion of the right to receive tobacco settlement revenues, and request the

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attorney general to commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement;

(5) retain or contract for the services of underwriters, financial advisors, accountants or other consultants or agents;

(6) pay its operating expenses and its financing costs, including its reasonable costs of issuance and sale of bonds and those of the attorney general, if any;

(7) borrow money in its name, issue negotiable bonds as named by the authority, and provide for the rights of the holders thereof as otherwise provided in this section;

(8) procure insurance against any loss in connection with its activities, properties, and assets in such amount and from such insurers as it deems desirable;

(9) invest any funds or other moneys under its custody and control in investment securities or under any related bond facility;

(10) as security for the payment of the principal of and interest on any bonds issued by it under this section and any agreement made in connection therewith and for its obligations under any related bond facility, pledge all or any part of the tobacco settlement revenues;

(11) establish and create debt service reserve funds and capitalized interest accounts and deposit therein proceeds of bonds in such amount or amounts as shall be provided by the resolutions or trust indentures for the bonds; and

(12) do any and all things necessary and proper to carry out its purposes and exercise the powers expressly given and granted in this section.

Subd. 5. **Bonds of the authority.** (a) The authority shall have power and is hereby authorized to issue bonds from time to time in one or more series, in an aggregate principal amount no greater than \$900,000,000, excluding refunding bonds sold and issued under this section, to provide funds not to exceed \$640,000,000 and subject to the limitation in section 16A.97, for the purchase of all or a portion of the tobacco settlement revenues pursuant to subdivision 2, and also to provide sufficient funds for the establishment of a debt service reserve fund, and the payment or provision for capitalized interest and financing costs, including, without limitation, the cost of any related credit facility.

The issuance of bonds shall be authorized by a resolution of the authority, adopted by a majority of the members of the authority without further authorization or approval. The issue of the bonds of the authority shall be special limited revenue obligations payable from and secured by a pledge of the pledged tobacco revenues, those proceeds of bonds deposited in a debt service reserve fund for the benefit of bondholders, and earnings on funds of the authority, upon terms and conditions as specified by the authority in the resolution under which the bonds are issued or in a related trust indenture.

The authority shall have the power and is hereby authorized from time to time to issue bonds, whenever it deems refunding expedient, to refund any outstanding bonds by the issuance of new bonds, provided that the refunding bonds mature not more than 30 years after the date of issuance as may be determined by the authority. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded.

(b) The bonds of each issue shall be dated, shall bear interest, which may be includable in or excludable from the gross income of the owners for federal income tax purposes, at fixed or variable rates, payable at or prior to maturity, and shall mature at such time or times, not more than 30 years after the date of issuance, as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority. The principal and interest of the bonds may be made payable in any lawful medium. The resolution of the authority approving the issuance of the bonds shall determine the form of the bonds and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or outside the state. If any officer whose signature or a facsimile thereof appears on any bonds shall cease to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until such delivery.

(c) The authority may sell such bonds at either public or private sale upon terms as the commissioner shall determine are not inconsistent with this section and the bonds may be sold at

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any price or percentage of par value. Any bid received may be rejected by the authority. The proceeds of the bonds shall be disbursed for the purposes for which the bonds were issued under the restrictions as the sale agreement and the resolution authorizing the issuance of the bonds or the related trust indenture may provide. The bonds shall be issued upon approval of the authority and without any other approvals, filings, proceedings, or the happening of any other conditions or things other than the approvals, findings, proceedings, conditions, and things that are specified and required by this section.

(d) Any pledge made by the authority shall be valid and binding at the time the pledge is made. The assets, property, revenues, reserves, or earnings so pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Notwithstanding any other provision of law to the contrary, neither the resolution nor any indenture or other instrument by which a pledge is created or by which the authority's interest in pledged assets, property, revenues, reserves, or earnings is assigned need be filed, perfected, or recorded in any public records in order to protect the pledge or perfect the lien as against third parties, except that a copy shall be filed in the records of the authority.

(e) Whether or not the bonds of the authority are of such form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments for all purposes, subject only to the provisions of the bonds for registration.

(f) At the sole discretion of the authority, any bonds issued by the authority and any related bond facility made under the provisions of this section shall be secured by a resolution or trust indenture by and between the authority and the indenture trustee, which may be any trust company or bank having the powers of a trust company, whether located within or outside the state. The trust indenture or resolution providing for the issuance of the bonds shall, without limitation: (1) provide for the creation and maintenance of reserves as the authority shall determine to be proper; (2) include covenants setting forth the duties of the authority in relation to the bonds, the income of the authority, the related sale agreement, and the related tobacco settlement revenues; (3) contain provisions relating to the transfer of the residual interest upon receipt of the tobacco settlement revenues; (4) contain provisions respecting the custody, safeguarding, and application of all moneys and securities; (5) contain provisions for protecting and enforcing against the authority or the state the rights and remedies pursuant thereto and to the sale agreement of the owners of the bonds and any provider of a related bond facility as may be reasonable and proper and not in violation of law; and (6) contain other provisions as the authority may deem reasonable and proper for priorities and subordination among the owners of the bonds and providers of related bond facilities. Any reference in this section to a resolution of the authority shall include any trust indenture authorized thereby.

(g) The net proceeds of any sale, conveyance, or transfer by the state of tobacco settlement revenues shall be deposited into the authority's general tobacco subaccount. The authority shall transfer all moneys in the general tobacco subaccount to the commissioner for deposit in the tobacco settlement bond proceeds fund. Any residual amount in tobacco settlement revenues shall be deposited in the tobacco settlement residual subaccount. The balance in the tobacco residual subaccount shall be transferred to the commissioner for deposit in the general fund, as provided in subdivision 12, paragraph (b).

(h) The authority may enter into, amend, or terminate, as it determines to be necessary or appropriate, any related bond facility (1) to facilitate the issuance, sale, resale, purchase, repurchase, or payment of bonds, interest rate savings or market diversification, or the making or performance of swap contracts, including without limitation bond insurance, letters of credit and liquidity facilities, or (2) to attempt to manage or hedge risk or achieve a desirable effective interest rate or cash flow. Such facility shall be made upon the terms and conditions established by the authority, including without limitation provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process.

(i) The authority may enter into, amend, or terminate, as it deems to be necessary or appropriate, any related bond facility to place the obligations or investments of the authority, as represented by the bonds or the investment of reserves securing the bonds or related bond facilities or other tobacco settlement revenues or its other assets, in whole or in part, on the interest rate, cash flow, or other basis approved by the authority, which facility may include without limitation contracts commonly known as interest rate swap agreements, forward purchase contracts, or guaranteed investment contracts and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the authority in connection with, or incidental to, entering into, or maintaining any (1) agreement that secures bonds of the authority

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or (2) investment or contract providing for investment of reserves or similar facility guaranteeing an investment rate for a period of years not to exceed the underlying term of the bonds. The determination by the authority that a related bond facility or the amendment or termination thereof is necessary or appropriate as aforesaid shall be conclusive. Any related bond facility may contain such provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process, and other terms and conditions as determined by the authority, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate.

(j) Bonds or any related bond facility may contain a recital that they are issued or executed, respectively, pursuant to this section, which recital shall be conclusive evidence of their validity, respectively, and the regularity of the proceedings relating thereto.

(k) No member or officer of the authority or any person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance, or is liable for any other debt or obligation of the authority.

(l) Information in any register of ownership of bonds or certificates is nonpublic data under section 13.02, subdivision 9, or private data on individuals under section 13.02, subdivision 12. The information is open only to the subject of it, except as disclosure:

(1) is necessary for the registrar, the commissioner, or the legislative auditor to perform a duty;

(2) is requested by an authorized representative of the commissioner of revenue, the attorney general, or the United States commissioner of internal revenue to determine the application of a tax; or

(3) is required under section 13.03, subdivision 4.

(m) The bonds of the authority are not subject to chapter 16C.

(n) The commissioner and any other member of the authority charged with the responsibility of issuing bonds for or on behalf of the authority, may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of bonds in accordance with, federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations, in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of bonds set forth in the order or resolution authorizing the issuance of the bonds, or a separate document authorized by the order or resolution.

**Subd. 6. State not liable on bonds or related bond facilities.** The state is not liable on bonds of the authority, and no bond or related bond facility shall constitute an indebtedness or an obligation of the state or any subdivision thereof, within the meaning of any constitutional or statutory limitation or provision or a charge against the general credit or taxing powers, if any, of any of them but shall be payable solely from pledged tobacco revenues. No owner of any bond or provider of any related bond facility shall have the right to compel the exercise of the taxing power of the state to pay any principal installment of, redemption premium, if any, or interest on the bonds or to make any payment due under any related bond facility. The bonds must contain on their face a statement to the effect of this subdivision.

**Subd. 7. Agreement with the state.** (a) The state pledges and agrees with the authority, and the owners of the bonds of the authority in which the authority has included such pledge and agreement, that the state shall: (1) irrevocably direct the transfer of all pledged tobacco revenues received by the state under and in accordance with the settlement agreement directly to the authority or its assignee; (2) diligently enforce its right to collect all moneys due from the participating manufacturers under the settlement agreement, in each case in the manner and to the extent deemed necessary in the judgment of and consistent with the discretion of the attorney general of the state, provided, however, that the sale agreement shall provide (i) that the remedies available to the authority and the bondholders for any breach of the pledges and agreements of the state set forth in this clause shall be limited to injunctive relief, and (ii) that the state shall be deemed to have diligently enforced this subdivision so long as there has been no judicial determination by a court of competent jurisdiction in this state, in an action commenced by a participating tobacco manufacturer, that the state has failed to diligently enforce this subdivision; (3) in any materially adverse way, neither amend the settlement agreement or take any other action that would (i) impair the authority's right to receive pledged tobacco revenues, or (ii) limit or alter the rights hereby vested in the authority to fulfill the terms of its agreements with the bondholders, or (iii) impair the rights and remedies of the bondholders or the security for such bonds until such bonds, together with the

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interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully paid and discharged, provided, that nothing herein shall be construed to preclude the state's regulation of smoking, smoking cessation activities and laws, and taxation and regulation of the sale of cigarettes or the like or to restrict the right of the state to amend, modify, repeal, or otherwise alter statutes imposing or relating to the taxes; and (4) not amend, supersede, or repeal the settlement agreement or this section in any way that would materially adversely affect the amount of any payment to, or the rights to such payments of, the authority or the bondholders. This pledge and agreement may be included in the sale agreement and the authority may include this pledge and agreement in any contract with the bondholders of the authority.

(b) The provisions of this section, the bonds issued pursuant to this section, and the pledges and agreements by the state and the authority to the bondholders shall not be interpreted or construed to limit or impair the authority or discretion of the attorney general to administer and enforce provisions of the settlement agreement or to direct, control, and settle any litigation or arbitration proceeding arising from or relating to the settlement agreement.

**Subd. 8. Enforcement of contract.** The provisions of this section and of any resolution or proceeding authorizing the issuance of bonds or a related bond facility shall constitute a contract with the holders of the bonds or the related bond facility, and the provisions thereof shall be enforceable either by mandamus or other proceeding in any Minnesota court of competent jurisdiction in Ramsey County to enforce and compel the performance of all duties required by this section and by any resolution authorizing the issuance of bonds a related bond facility adopted in response hereto.

**Subd. 9. Bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any bonds issued under this section: (1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies; (2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and (3) personal representatives, guardians, trustees, and other fiduciaries.

**Subd. 10. Exemption from taxation.** It is hereby determined that the creation of the authority and the carrying out of its corporate purposes are in all respects for the benefit of the people of the state and are public purposes. Accordingly, the property of the authority, its income, and its operations shall be exempt from taxation. The authority shall not be required to pay any fees, taxes, or assessments of any kind, whether state or local, including, but not limited to, fees, taxes, ad valorem taxes on real property, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control, or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this section.

**Subd. 11. Report; audit.** The authority shall report to the legislature and the governor by the January 15 following the end of each fiscal year. The report must include a complete operating and financial statement covering the authority's operations during the fiscal year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

**Subd. 12. Tobacco settlement recovery account.** (a) The authority shall establish the tobacco settlement recovery account, which shall consist of three subaccounts: (1) the general tobacco subaccount, (2) the tobacco settlement revenues subaccount, and (3) the tobacco settlement residual subaccount. The authority shall deposit all moneys paid pursuant to the settlement agreement, and any other moneys as provided by law into the several subaccounts of the tobacco settlement recovery account. Money shall be deposited into the tobacco settlement revenues subaccount and the tobacco settlement residual subaccount as provided by the terms of this section, including any agreement between the state and the authority implementing the same. All other moneys available to be deposited into the tobacco settlement recovery account shall be deposited into the general tobacco subaccount. An investment made from moneys credited to a specific subaccount constitutes part of that subaccount and such subaccount shall be credited with all income from the investment of such moneys. The commissioner may invest the moneys in the several subaccounts of the tobacco settlement recovery account in the same manner, in the same types of investments, and subject to the same limitations provided in section 11A.24. Notwithstanding the foregoing, to the extent necessary to preserve the tax-exempt status of any bonds issued pursuant to this section, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, moneys on deposit in the tobacco settlement revenues subaccount and the tobacco settlement residual subaccount, may be invested in obligations the interest upon which is tax exempt

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under the provisions of Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or any successor code or provision.

(b) Moneys on deposit in the tobacco settlement residual subaccount shall be transferred to the commissioner for deposit in the general fund.

(c) The amounts deposited into the tobacco settlement bond proceeds fund from the general tobacco subaccount and interest thereon are appropriated to the commissioner for payment of working capital, debt service on outstanding obligations of the general fund, the funding of debt service reserves for the bonds, each as permitted by state and federal law, nonsalary expenses incurred in conjunction with the sale of the bonds and to supplement the tobacco settlement residual subaccount to pay for appropriated obligations of the tobacco settlement recovery account for state fiscal years 2012 and 2013. The commissioner may transfer the amounts available to reduce debt service on outstanding obligations of the general fund to the state bond fund under section 16A.641.

Subd. 13. **Supplemental nature of section; construction and purpose.** The powers conferred by this section shall be in addition to and supplemental to the powers conferred by any other law, general or special, and may be exercised notwithstanding the provisions of any other such law. Insofar as the provisions of this section are inconsistent with the provisions of any other law, general or special, the provisions of this section shall be controlling.

Subd. 14. **Severability.** If any provision of this section is held invalid, such provision shall be deemed to be excised and the invalidity thereof shall not affect any of the other provisions of this section. If the application of any provision of this section to any person or circumstance is held invalid, it shall not affect the application of such provision to such persons or circumstances other than those as to which it is held invalid.

#### **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

An appropriation for a state agency information and telecommunications technology project must be made to the chief information officer. The chief information officer must manage and disburse the appropriation on behalf of the sponsoring state agency. Any appropriation for an information and telecommunications technology project made to a state agency other than the Office of MN.IT Services is transferred to the chief information officer.

#### **122A.63 GRANTS TO PREPARE INDIAN TEACHERS.**

Subd. 7. **Loan forgiveness.** The loan may be forgiven if the recipient is employed as a teacher, as defined in section 122A.40 or 122A.41, in an eligible school or program in Minnesota. One-fourth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. Loans for \$2,500 or less may be forgiven at the rate of up to \$1,250 per year. The following schools and programs are eligible for the purposes of loan forgiveness:

- (1) a school or program operated by a school district;
  - (2) a tribal contract school eligible to receive aid according to section 124D.83;
  - (3) a Head Start program;
  - (4) an early childhood family education program;
  - (5) a program providing educational services to children who have not entered kindergarten;
- or
- (6) a program providing educational enrichment services to American Indian students in grades kindergarten through 12.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the commissioner of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the commissioner and the joint grant recipients, payments shall be deferred.

The Minnesota Office of Higher Education shall approve the loan forgiveness program, loan deferral, and procedures to administer the program.

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Subd. 8. **Revolving fund.** The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the commissioner of education and shall be used to enable Indian students to participate in the program.

**126C.16 REFERENDUM AND DESEGREGATION REVENUE CONVERSION.**

Subdivision 1. **Revenue conversion.** Except as provided under subdivision 3, the referendum authority under section 126C.17 of a district must be converted by the department according to this section.

Subd. 3. **Per pupil revenue conversion.** (a) The department must convert each district's referendum revenue authority for fiscal year 2002 and later years to an allowance per pupil unit as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 126C.17, for fiscal year 2001 by the district's 2000-2001 resident marginal cost pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's resident marginal cost pupil units for that year.

(b) The referendum allowance reduction must be applied first to the authority with the earliest expiration date.

**126C.17 REFERENDUM REVENUE.**

Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority from voter approved to board approved by a board vote. A district with less than \$300 per adjusted pupil unit of referendum authority after the local optional revenue subtraction under subdivision 1 may authorize new referendum authority up to the difference between \$300 per adjusted pupil unit and the district's referendum authority. The board may authorize this levy for up to five years and may subsequently reauthorize that authority in increments of up to five years.

**136A.15 DEFINITIONS.**

Subd. 2. **Academic year or its equivalent.** "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and title IV of the Higher Education Act of 1965.

Subd. 7. **Eligible lender.** "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

**136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.**

Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state or province. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an "eligible student" must also meet the eligibility requirements of section 136A.15, subdivision 8.

**155A.28 HAIR BRAIDING.**

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

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Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

**168.013 VEHICLE REGISTRATION TAXES.**

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

**214.075 HEALTH-RELATED LICENSING BOARDS; CRIMINAL BACKGROUND CHECKS.**

Subd. 8. **Instructions to the board; plans.** The health-related licensing boards, in collaboration with the commissioner of human services and the BCA, shall establish a plan for completing criminal background checks of all licensees who were licensed before the effective date requirement under subdivision 1. The plan must seek to minimize duplication of requirements for background checks of licensed health professionals. The plan for background checks of current licensees shall be developed no later than January 1, 2017, and may be contingent upon the implementation of a system by the BCA or FBI in which any new crimes that an applicant or licensee commits after an initial background check are flagged in the BCA's or FBI's database and reported back to the board. The plan shall include recommendations for any necessary statutory changes.

**221.161 SCHEDULE OF RATES AND CHARGES.**

Subd. 2. **Hearing upon complaint.** Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. **Hearing upon petition by another carrier.** Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. **Hearing on merits of rates and charges.** The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and

charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory.

#### **256B.0625 COVERED SERVICES.**

Subd. 18b. **Broker dispatching prohibition.** Except for establishing level of service process, the commissioner shall not use a broker or coordinator for any purpose related to nonemergency medical transportation services under subdivision 18.

Subd. 31c. **Preferred incontinence product program.** The commissioner shall implement a preferred incontinence product program by July 1, 2018. The program shall require the commissioner to volume purchase incontinence products and related supplies in accordance with section 256B.04, subdivision 14. Medical assistance coverage for incontinence products and related supplies shall conform to the limitations established under the program.

#### **256B.0705 PERSONAL CARE ASSISTANCE SERVICES; MANDATED SERVICE VERIFICATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Personal care assistance services" or "PCA services" means services provided according to section 256B.0659.

(c) "Personal care assistant" or "PCA" has the meaning given in section 256B.0659, subdivision 1.

(d) "Service verification" means a random, unscheduled telephone call made for the purpose of verifying that the individual personal care assistant is present at the location where personal care assistance services are being provided and is providing services as scheduled.

Subd. 2. **Verification schedule.** An agency that submits claims for reimbursement for PCA services under this chapter must develop and implement administrative policies and procedures by which the agency verifies the services provided by a PCA. For each service recipient, the agency must conduct at least one service verification every 90 days. If more than one PCA provides services to a single service recipient, the agency must conduct a service verification for each PCA providing services before conducting a service verification for a PCA whose services were previously verified by the agency. Service verification must occur on an ongoing basis while the agency provides PCA services to the recipient. During service verification, the agency must speak with both the PCA and the service recipient or recipient's authorized representative. Only qualified professional service verifications are eligible for reimbursement. An agency may substitute a visit by a qualified professional that is eligible for reimbursement under section 256B.0659, subdivision 14 or 19.

Subd. 3. **Documentation of verification.** An agency must fully document service verifications in a legible manner and must maintain the documentation on site for at least five years from the date of documentation. For each service verification, documentation must include:

(1) the names and signatures of the service recipient or recipient's authorized representative, the PCA and any other agency staff present with the PCA during the service verification, and the staff person conducting the service verification; and

(2) the start and end time, day, month, and year of the service verification, and the corresponding PCA time sheet.

Subd. 4. **Variance.** The Office of Inspector General at the Department of Human Services may grant a variance to the service verification requirements in this section if an agency uses an electronic monitoring system or other methods that verify a PCA is present at the location where services are provided and is providing services according to the prescribed schedule. A decision to grant or deny a variance request is final and not subject to appeal under chapter 14.

**268.053 PAYMENT TO TRUST FUND BY NONPROFIT ORGANIZATIONS.**

Subd. 4. **Application.** For purposes of this section, a nonprofit organization is an organization, or group of organizations, described in United States Code, title 26, section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a).

Subd. 5. **Compromise.** The compromise authority set out in section 268.067 applies to this section.

**349A.16 LOTTERY RETAILER COMMISSIONS.**

The director of the State Lottery shall: (1) increase commissions paid to lottery retailers in effect on January 1, 1998, by one-half percent on the price of each ticket sold by each retailer; and (2) provide that each lottery retailer receive a commission of at least one percent on the amount of each winning ticket cashed by that retailer. The director of the State Lottery shall periodically review lottery ticket sales and make such adjustments to lottery retailer commission rates as are deemed necessary to maintain appropriate return to the state.

**360.063 AIRPORT ZONING; AUTHORITY, PROCEDURE.**

Subd. 4. **Airport approach.** The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of the plan. A plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. The commissioner shall prescribe airport approach and turning standards for airports of various classes, and airport zoning regulations adopted by a municipality, county, or joint airport zoning board shall conform to the standards, except as provided in sections 360.065 and 360.066.

**360.065 AIRPORT ZONING; ADOPTION AND APPROVAL OF PROPOSED REGULATIONS.**

Subd. 2. **Regulations submitted to commissioner.** Prior to adopting zoning regulations for an airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that the commissioner may determine whether it conforms to the standards prescribed by the commissioner. The commissioner shall immediately examine the proposed regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval, or objections, if any. If objections are made by the commissioner on the ground that the regulations do not conform to the standards prescribed by the commissioner for the class of airport involved, the municipality, county, or joint zoning board shall make amendments as are necessary to meet the objections unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards. The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner. The commissioner may approve local zoning ordinances that are more stringent than the standards. A copy of the regulations as adopted shall be filed with the county recorder in each county in which the zoned area is located.

Substantive rights existing prior to the passage of this subdivision and previously exercised are not affected by the filing of the regulations.

**360.066 AIRPORT ZONING; MINIMUM STANDARDS, LAND USES.**

Subd. 1a. **Protection of existing neighborhood.** (a) In order to ensure the minimum disruption of existing land uses, particularly established residential neighborhoods in built-up urban areas, the airport zoning standards of the commissioner and the local airport zoning ordinances or regulations adopted under sections 360.061 to 360.074 shall distinguish between the creation or establishment of a use and the elimination of an existing use, and shall avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable standards of safety. The standards of the commissioner shall include criteria for determining when an existing land use may constitute an airport hazard so severe that considerations of public safety outweigh the public interest in preventing disruption to that land use.

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(b) No airport zoning standards or local airport zoning ordinances or regulations shall be adopted pursuant to sections 360.061 to 360.074 that classify as a nonconforming use or require such classification with respect to any low-density residential structure or isolated low-density residential building lots existing on January 1, 1978 in an established residential neighborhood.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if that authority finds that this classification is justified by considerations of public safety and is consistent with the airport zoning standards of the commissioner. Any land use described in paragraph (b) which is classified as an airport hazard shall be acquired, altered, or removed at public expense.

(d) The provisions of this subdivision shall not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted pursuant to sections 360.061 to 360.074.

Subd. 1b. **Amendment of standards.** Within nine months after March 29, 1978, the commissioner shall amend the standards defining airport hazard areas and categories of uses permitted therein to conform with the requirements of Laws 1978, chapter 654. Until the commissioner adopts amended standards as required by this subdivision the unamended standards, insofar as they require classification of any residential property as a nonconforming use contrary to the provisions of subdivision 1a, paragraph (b), shall be without force or effect.

*Laws 2008, chapter 368, article 1, section 21, subdivision 2*

Sec. 21. **DELETIONS FROM STATE PARKS.**

Subd. 2. [85.012][Subd. 30.] Jay Cooke State Park, Carlton County. Effective upon the commissioner of natural resources entering into an agreement with the commissioner of veterans affairs to transfer the property for use as a veterans cemetery, the following areas are deleted from Jay Cooke State Park:

(a) the Northeast Quarter of the Southeast Quarter lying southerly of the railroad right-of-way, Section 21, Township 48 North, Range 16 West;

(b) the Northwest Quarter of the Southwest Quarter lying southerly of the railroad right-of-way, Section 22, Township 48 North, Range 16 West; and

(c) the East 2 rods of the Southwest Quarter of the Southwest Quarter, Section 22, Township 48 North, Range 16 West.

*Laws 2016, chapter 189, article 25, section 62, subdivision 16*

Sec. 62. **APPROPRIATIONS.**

Subd. 16. Grants for vision therapy pilot project. (a) For a grant to Independent School District No. 12, Centennial, to implement a neuro-optometric vision therapy pilot project:

§           200,000     .....   2017

This is a onetime appropriation and is available until June 30, 2019.

(b) In each year of the pilot project, second and third grade students identified by a set of criteria created by the district shall be admitted into the pilot study. Identified students shall have a comprehensive eye examination with written standard requirements of testing. Students identified with a diagnosis of convergence insufficiency must undergo a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the evaluation of learning-related vision problems. The results of this examination shall determine whether a student will qualify for neuro-optometric vision therapy funded by the grant. The parent or guardian of a student who qualifies for the pilot program under this paragraph may submit a written notification to the school opting the student out of the program. The district must establish guidelines to provide quality standards and measures to ensure an appropriate diagnosis and treatment plan that is consistent with the convergence insufficiency treatment trial study.

(c) The commissioner of education must provide for an evaluation of the pilot project and make a report to the legislative committees with jurisdiction over kindergarten through grade 12 education policy and finance by January 15, 2020.

*Laws 2017, First Special Session chapter 4, article 2, section 59*

Sec. 59. **LEGISLATIVE BUDGET OFFICE TRANSITION PLANNING TASK FORCE.**

Subdivision 1. Membership. The Legislative Budget Office Transition Planning Task Force is established. The task force consists of the following members:

(1) two members of the house of representatives, one appointed by the speaker of the house, and one appointed by the minority leader of the house of representatives;

(2) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, one of whom must represent the majority caucus of the senate, and one of whom must represent the minority caucus of the senate;

(3) the legislative auditor;

(4) the commissioner of management and budget; and

(5) the state budget director.

The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, and two members from executive branch agencies, appointed by the commissioner of management and budget, shall serve as ex-officio, nonvoting members of the task force. Appointments required by this section must be made no later than July 15, 2017. The chair

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of the Legislative Coordinating Commission shall designate one member of the task force to serve as its chair.

Subd. 2. **Duties; report required.** (a) The task force must develop a plan for the orderly transition of fiscal note and local impact note responsibilities from Minnesota Management and Budget to the Legislative Budget Office, as required by this act. At a minimum, the plan must consider the office's responsibilities for fiscal notes and local impact notes, the duties of state agencies and departments and local governments in facilitating the office's work, and any other issues relevant to the transition of duties to the office, as determined by the task force. The plan may include recommendations for additional legislation as necessary to implement the task force's transition plan, or to further clarify or structure the office's responsibilities.

(b) The task force must submit a preliminary report no later than January 15, 2018, and a final report no later than December 1, 2018, to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee. The final report must describe the task force's work, including recommendations for a transition plan and any recommendations for legislation developed under paragraph (a).

Subd. 3. **Staff.** The Legislative Coordinating Commission must provide research and administrative assistance to support the work of the task force.

Subd. 4. **Expiration.** The task force expires upon submission of its final report to the legislature under subdivision 2.

**5600.0605 LICENSE RENEWAL PROCEDURES.**

Subp. 5. **Service.** The licensee must maintain a correct mailing address with the board for receiving board communications, notices, and licensure renewal documents. Placing the license renewal application in first class United States mail, addressed to the licensee at the licensee's last known address with postage prepaid, constitutes valid service. Failure to receive the renewal documents does not relieve a license holder of the obligation to comply with this part.

**5600.0605 LICENSE RENEWAL PROCEDURES.**

Subp. 8. **Removal of name from list.** The names of licensees who do not return a complete license renewal application, the annual license fee, or the late application fee within the time period listed in subpart 7, shall be removed from the list of individuals authorized to practice medicine and surgery during the current renewal period. Upon reinstatement of licensure, the licensee's name will be placed on the list of individuals authorized to practice medicine and surgery.